



CITY OF LODI / LODI REDEVELOPMENT AGENCY / LODI PLANNING COMMISSION COMMUNICATION

AGENDA TITLE: Consider Presentation on Tax Increment and Redevelopment with Possible Action by the City Council/Redevelopment Agency to Direct the City Manager/Executive Director to Enter Into Professional Service Contracts for the Purpose of Conducting Various Tasks Over Time Related to Establishing a Redevelopment Project Area

MEETING DATE: July 19, 2007

PREPARED BY: City Manager

RECOMMENDED ACTION: Consider presentation on Tax Increment and Redevelopment, receive question and answers, and for City Council / Redevelopment Agency, and consider directing the City Manager/Executive Director via resolution to enter into professional service contracts for the purpose of conducting various tasks over time related to establishing a Redevelopment Project Area.

BACKGROUND INFORMATION: This Special Joint Meeting of the City Council/ Redevelopment Agency, and Planning Commission will consist of a presentation concerning the possibility of forming a Redevelopment Project in Lodi, a question and answer period, and the opportunity for the City Council/Redevelopment Agency to take action by directing the City Manager/Executive Director.

The meeting will open with a presentation by staff consisting of a PowerPoint presentation explaining the need for funding, the mechanics of tax increment revenue, and the process that is required to establish a Project Area. Comments will then be provided by guests from the cities of Merced and Healdsburg on their communities' experience in using redevelopment. Questions and answers will be provided in a panel format; and finally, there will be an opportunity for action by the City Council/Redevelopment Agency.

A brief paper titled ***"Introduction to Tax Increment and Redevelopment"*** is attached and will provide more background information. The paper includes four and one-half pages of narrative regarding why redevelopment is a tool that might be considered, questions and answers, a proposed timeline for action, and finally, a budget broken out among three different professional organizations.

APPROVED:

A handwritten signature in black ink, appearing to read "Blair King".

Blair King, City Manager

If the Council, after receiving the presentation, wishes to proceed with exploring the possibility of the formation of a Redevelopment Agency, it is recommended that the Council direct the Manager to enter into several professional service agreements. The law is complex and very structured with regard to the process of forming a Project Area. Extra temporary help with specific expertise is needed to perform a variety of tasks prescribed by law. The timeline proposed for consideration is approximately two years with heavy public participation. During this period of time, both the City Council/Redevelopment Agency and the Planning Commission will be asked to take action.

Entering into the agreements does not mean the formation of a Project Area. Several decision points exist in the future to proceed or terminate.

The first proposed task is conducting an initial feasibility study. This is not required by law. But it will help to identify the area for a Redevelopment Project. The Manager is contemplating requesting that the Budget and Finance Committee work with the Manager in the preparation of this study and the identification of what is referred to as the survey area, the first step in forming the boundaries of a Redevelopment Project.

FISCAL IMPACT: The City incurred \$320,021 in costs attempting to form a Project Area in 2001/02. It is estimated that the current costs to form a Project Area, if the Council wishes to proceed, will be in the above range. Three distinct professional services agreements are recommended in the following not-to-exceed amounts:

- Fraser & Associates – tasks related to financial analysis and feasibility - \$40,500;
- Stradling Yocca Carlson & Rauth – special legal counsel – \$37,750;
- GRC Consultants – EIR, preparation of reports and documents, conditions analysis - \$177,000.

The above firms were selected for recommendation based upon the Manager's experience with the above firms and nearly every major firm providing the required services in the State.

Potential revenues are unknown at this time. However, based on the revenues received by other San Joaquin Valley cities last year, annual revenues could range between \$2,802,727 (City of Ripon) to \$12,039,513 (City of Stockton).

/ _____
Blair King, City Manager

Attachment

Introduction to Tax Increment and Redevelopment



July 19, 2007

Introduction to Tax Increment and Redevelopment

Introduction

Lodi needs more safe affordable housing for senior citizens. The City should help low-income homeowners pay for water meters. Motel business along Cherokee Lane is declining; the City should do something. Alleys are deteriorating. Lodi needs a new library. Lodi needs a new animal shelter. The Grape Bowl is a regional asset that if used correctly could spur economic development. The east side of Lodi needs a new community center and more parks. Why can't the Blakely Park Pool look nicer? Lodi should preserve older historic buildings. The storm and wastewater collection system is aging, obsolete and inadequate; why isn't the City doing anything? Overhead power lines should be buried underground. Lodi needs to improve its tax base and create more jobs.

These are just a sample of comments from Lodi residents about what they want and need from the City. The City constantly examines the range of services it provides and analyzes how to pay for and improve these services. With one major exception, Lodi fully utilizes the many forms of taxes and fees it receives. Lodi works closely to obtain funding from the State and Federal governments and the private sector to offer the range of services a "full-service city" provides.

The one major source of revenue that Lodi does not currently use is tax increment, which state law makes available to cities as outlined in the Health and Safety Code. Approximately 80 percent of all cities in California use tax increment revenue to meet the local needs of their residents and businesses. For every program, facility and service desired in the list above, tax increment is a tool that could be used to meet the need. It is a revenue source that does not raise taxes.

Tax increment is a component of the California Redevelopment Law. Over the next several months, the City Council will examine how tax increment can help Lodi. This may result in action to form a Redevelopment Project Area in Lodi. This paper is intended to provide a brief overview of tax increment and redevelopment and assist the Council and community members in further understanding this powerful locally-driven economic tool.

What is tax increment?

Tax increment is the amount of property tax revenues attributed to the incremental increases in tax value that are generated from development activity or transfers of property above a base amount within a designated redevelopment area called a project area.¹ It does not change the amount of taxes a property owner is required to pay. It does change how the extra property tax generated, “the increment,” is distributed. Lodi typically receives approximately 16 to 17 cents from every dollar of property tax paid. With tax increment, Lodi would be able to receive up to 75 cents from every dollar of new property tax generated above the base assessment; money that would otherwise go to the State of California or agencies that are the responsibility of the State of California.

Under the state’s tax increment rules, Lodi retains tax increment funds it must spend according to a plan, referred to as a Redevelopment Plan. The Redevelopment Plan can allow for expenditures for programs ranging from major rehabilitation of water, wastewater, and storm drain infrastructure to building a new library. There is only one absolute requirement with regard to the expenditure of tax increment funds: 20 percent of tax increment revenue must be spent on affordable housing.

Tax increment is only generated within a designated Redevelopment Area. This is a distinct geographic area. Although there are some exceptions, tax increment funds are spent within the Redevelopment Area. A defined and specific process must be followed in order to establish a Redevelopment Area. Certain conditions must exist and findings must be made. The area must be predominantly urbanized, and certain adverse physical and economic conditions must also be identified and exist to the point that they are a significant burden to the community.

Again, it is important to note that tax increment does not raise taxes. Tax increment is not an assessment or lien on property. Property taxes within the Redevelopment Area are governed by the same laws that limit property tax increases outside of the Area.

¹For example, tax on a property assessed at \$500,000 is \$5,000, with the City’s share (17 percent) amounting to \$850. Within a redevelopment project area, if the property is upgraded and sold for \$750,000, the new annual tax would be \$7,500. The city would receive 80 percent of the \$2,500 increase (\$2,000), plus the original \$850, amounting to \$2,850. Outside a redevelopment project, the city’s share would be \$1,275.

Other entities that are the financial responsibility of the State of California -- such as the county and school districts and other local special districts -- continue to receive all the tax revenues they were receiving before the tax increment was generated. Tax increment financing does not reduce revenue allocated to school districts. In fact, school districts and community college districts receive a portion of the redevelopment tax increments.² Existing State school funding formulas negate any gain or loss in property tax revenue, guaranteeing the state maintains a school's funding level, no matter what happens to the area's property taxes. Additionally, a large portion of the money the Agency shares with the School District will go to new facilities. This money would not be available otherwise.

In a nutshell, tax increment, through the adoption of a Redevelopment area, is an economic tool that could assist Lodi in addressing financial needs currently beyond the City's ability. It is a unique partnership that encourages economic stimulation so that growth in the tax base can provide funding for local improvements, create jobs, and improve health, safety, and quality of life in Lodi.

The History of tax increment and redevelopment in Lodi

A Redevelopment Agency must be formed to create a Redevelopment Project and collect tax increment.

According to California Health and Safety Codes,³ a Redevelopment Agency exists in every city and county in the State, but lies dormant until activated by ordinance.

Early in 2000, the City Council authorized the formation of a Lodi Redevelopment Agency and began the steps to form a Redevelopment Project area.

At that time, the City Council recommended establishing a project area in the oldest commercial and industrial areas of Lodi. Approximately 1,184 acres were identified as meeting the requirements that would allow the City to collect incremental taxes in exchange for stimulating growth and development in the area. In the spring of 2002, the City Council abandoned its plans to form a Project Area in response to citizen concerns and an initiative drive to put the project's future on the ballot.

² For redevelopment projects that were adopted before AB 1290, or January 1, 1994, the Agency negotiated separate agreements with each taxing entity. For those projects adopted on or after January 1, 1994, the total amount distributed to each entity is the same

³ Section 33100 of Health and Safety Code

It is interesting to note that, according to calculations prepared for the formation of the project area at that time, if the project would have been formed and if the development occurred in the fashion envisioned, the City would now have over \$400,000 in new revenue for this current fiscal year 2006-07. For comparison's sake, this would be like the city's share from \$40 million of new taxable sales.

One of the concerns expressed with redevelopment and tax increment in 2002 was a fear of eminent domain, the power to force someone to sell his property against his will. In order to address this concern on the part of members of the public and City Council, in 2006, the City Council adopted Ordinances 1775 and 1776 that eliminated the ability of the Lodi Redevelopment Agency to engage in the use of eminent domain for private use. It is expected that the City Council, if a project is adopted, will enact further restrictions and eliminate eminent domain by the Redevelopment Agency.

The Lodi Redevelopment Agency is still activated, but there is no project area and no change in the way property tax is distributed. The City Council will soon consider again exploring an area for a redevelopment project.

How and when will this occur?

It is anticipated that if the Council wishes to explore a Redevelopment Project Area, the public will have ample opportunity to voice opinions on what projects or activities should be funded with tax increment, how it could improve the community, and the project area boundaries. State law requires an environmental impact report on the project area and that several hearings by the Planning Commission and City Council be held prior to the area's adoption.

Currently, no boundary has been proposed for the Project Area. It is anticipated that an initial feasibility study will be conducted that will help select the boundaries of an area and prioritize activities before fully committing to the time and expense of adopting a Project.

It is anticipated that the entire process, if approved by the Agency, will take from 12 to 24 months.

Attached is "Exhibit A". It is a generalized preliminary schedule and listing of major work products required for plan adoption. It provides a detailed breakdown of the tasks required to form a project area.

What are the safeguards?

Because tax increment is a powerful tool, safeguards have been developed to ensure that activities are appropriate before receipt of tax increment funds. A report must be presented to the legislative body each year and an annual audit is required. An annual report must be submitted to the California Department of Housing and Community Development and other state agencies.

Redevelopment agencies must show that they have a financial obligation (debt) prior to the receipt of tax increment. This information is collected and transmitted to their counties in a document and is known as the Redevelopment Agency's "Statement of Indebtedness" or SOI. Without an SOI, the State would have no way to prevent any local agencies from collecting the increment and pocketing the money.

An Agency can incur an obligation in a number of different ways: it can borrow money from investors; it can borrow money from the City or engage in an agreement with the City; and/or it can incur obligations with private development interests. Debts of the Agency are not debts of the City.

Questions and Answers

Question: *Who oversees the expenditure of tax increment and redevelopment?*

Answer: The members of the elected City Council serving in the capacity as the governing board of the Redevelopment Agency. The community has full local control of additional revenues raised locally.

Question: *Will being in a Redevelopment Area depress my property values?*

Answer: There is no evidence that property values will be depressed. In fact, one might expect the opposite. With the possibility of greater revenue available for the area in certain circumstances, one might expect that property resale value could increase. Consider: if tax increment is used to improve water, sewer, or storm drains, does that seem likely to lower or increase property values? Would a new library help or hinder property values? The 1998 Dardia Report asserts that assessed valuation in Project Areas go up about twice the rate as similar uses outside the project area.

Question: *Does shifting property tax in the way tax increment works hurt schools?*

Answer: No. While school finance is complicated and can be confusing, the essentials are that the state provides funding based on average daily attendance. Additionally, the Agency shares a part of its tax increment with school districts which is “new” money to the schools and goes to school facilities.

Question: *How can I be sure that the City is not after my property?*

Answer: The City Council adopted ordinance 1775 and 1776 based upon local concerns to limit eminent domain. The City Council has not budged on the policies and provisions to protect property rights. Will adoption of a redevelopment plan change this policy direction? No. In fact, if a redevelopment plan is adopted that follows ordinances 1775 and 1776, it will be very difficult and costly to change from this existing policy direction. Also, new state law that became effective Jan. 1, 2007 requires redevelopment agencies to state their intentions regarding the use of eminent domain. The Redevelopment Agency will not use eminent domain to acquire property.

Question: *What about the small business?*

Answer: A small business can benefit from improved infrastructure. The Redevelopment Agency can absorb costs of building new parking lots, sidewalks and signs. The Agency can adopt programs specifically targeted to assist small businesses. The Redevelopment Agency has a specific obligation to give a preference to existing businesses and residents in development opportunities.

Question: *Will I have extra property maintenance obligations?*

Answer: No. Most redevelopment plans do not add to property maintenance requirements.

Question: *Is this more government regulation?*

Answer: No. The redevelopment plan will not change zoning or development standards – these will be, as they are now, covered by City ordinances. Redevelopment would provide funding and tools to assist with the funding of public improvements; tools to work voluntarily with property owners.

Question: *Doesn't the Redevelopment Agency just siphon money off the City that could have gone to the police and fire departments?*

Answer: No. The community will receive a greater amount of revenue with redevelopment than without redevelopment. By having the Agency bear the cost of public improvements, more of the City's General Fund can be made available for police, fire, and other services. Currently, the City is paying approximately \$1.7 million in debt service for public improvements that could have been financed via tax increment. If tax increment money would have been available, these financial resources would be supporting additional on-going services.

Question: *Will the City's General Fund backstop the Redevelopment Agency if it goes broke?*

Answer: No. The obligations of the Agency are not the obligations of the City. Debt issued by the Redevelopment Agency is evaluated on its own credit merits. The Agency must be able to prove its ability to pay its own debts. Investors in redevelopment agency debt understand and agree that the Agency must pay its own way and do not expect the City to provide relief.

Question: *How can redevelopment help provide affordable or senior housing?*

Answer: State law requires redevelopment agencies to spend at least 20 percent of the tax increment on affordable housing for seniors, the disabled and low- to moderate-income families. A redevelopment agency in Lodi could use that money to provide housing, subsidize rents, pay for repairs and help eligible residents become homeowners.

Question: *Doesn't the Redevelopment Agency take all the increases in property taxes from the County?*

Answer: No. State Law, (Health and Safety Code Section 33607.6) requires a percent of the growth in property tax within the Redevelopment Area be passed through to other taxing entities. The pass through amount is increased in three stages. The pass through begins at 25 percent of the total tax increment after the required amount for housing purposes is accounted for. On average, the taxing entities receive about 35 percent of the tax increment in a Project Area.

It is interesting to note that on April 17, 2007, during a discussion of the Grape Bowl, Board of Supervisors Chairman Victor Mow said, "They (Lodi) have an opportunity of a redevelopment project. They have not done so. This is a classic case of where redevelopment money might be the answer to do those things."

Question: *Does the Redevelopment Project end or sunset?*

Answer: Yes. The Agency cannot collect Tax Increment from the project for any longer than 45 years. It loses its authority to act after 30 years. Between 30 and 45 years the agency can collect debt only to fund housing programs and make payments under its obligations.

Exhibit “A”

An underlying assumption in the following schedule is that the redevelopment plan will have no eminent domain authority at all pursuant to Ordinances 1775 and 1776.

GENERALIZED PRELIMINARY SCHEDULE (DISCUSSION PURPOSES ONLY)		
Item	Approximate Date	Activity
1.	July 2007	City Council and Planning Commission hold a joint project kick-off and community forum. The forum intended to explain the Tax Increment redevelopment planning process, provide general background, get guidance from policy makers, and identify Study Area for the feasibility study. City Council may authorize execution of consultant contracts to commence study process or choose not to proceed.
2.	8/1/07	Initial field work and feasibility study started.
3.	9/6/07	First newsletter sent. This newsletter will announce the study and generally explain redevelopment and what it accomplishes.
4.	9/20/07	Hold first community meeting to explain redevelopment and how it works. Ask community to identify issues.
5.	10/3/07	City Council may formally adopt Survey Area after reviewing feasibility study recommendations, or may choose to terminate process.
6.	1/23/08	Planning Commission adopts Preliminary Plan.
7.	1/30/08	Agency prepares projections of the change in the number of residents and students within the Project Area.
8.	1/30/08	School district data requested by Agency. The districts prepare projections of any change in the need for school facilities within the Project Area over the lifetime of the plan.
9.	2/13/08	Project Area legal description and map prepared by civil engineer.
10.	2/20/08	<ul style="list-style-type: none">• Agency sets base year for calculating tax increment.• Second newsletter sent out.

Item	Approximate Date	Activity
11.	2/27/08	<ul style="list-style-type: none"> • Preliminary plan circulated to taxing entities. • Legal description and map sent to taxing entities and State Board of Equalization. • School impact reports sent to State Department of Finance.
12.	5/12/08	County Auditor-Controller submits “base year” assessed valuation report to Agency and other taxing entities.
13.	5/21/08	Agency board authorizes circulation of Preliminary Report, Draft Redevelopment Plan and Draft EIR to taxing agencies.
14.	6/4/08	Preliminary Report, Draft Redevelopment Plan and Draft Program EIR circulated to taxing agencies and made available to the general public.
15.	7/21/08	End of Draft Program EIR review period.
16.	8/20/08	Agency re-sets base year for calculating tax increment revenues to FY2008-09.
17.	10/22/08	New “base year” assessed valuation report received from the County Auditor-Controller.
18.	1/7/09	<ul style="list-style-type: none"> • Agency Board sets joint public hearing date. • Agency Board adopts Relocation Method and Owner Participation Rules. • City Council agrees to joint public hearing date.
19.	1/14/09	<ul style="list-style-type: none"> • Planning Commission makes finding on whether the proposed Redevelopment Plan is consistent with the Lodi General Plan. • Planning Commission makes recommendation on proposed Redevelopment Plan. • Planning Commission could adjust (make Project Area smaller) boundaries at this point.
20.	1/16/09	Notice of public hearing and preliminary report sent to State Departments of Finance and Department of Housing and Community Development.
21.	2/2/09	<ul style="list-style-type: none"> • Report to City Council, Final Draft Redevelopment Plan and Final EIR available for public review. • Public hearing notices mailed out with newsletter.
22.	2/9/09	State Departments of Finance and Department of Housing and Community Development submit their comments if necessary.

Item	Approximate Date	Activity
23.	2/16/09	Final round of community meetings to explain the proposed Redevelopment Plan and explain the hearing process.
24.	3/4/09	Joint City Council/Redevelopment Agency public hearing held.
25.	3/18/09	Ordinance approving plan introduced after the Agency responds to written objections from the public.
26.	4/1/09	Second Reading.
27.	5/1/09	Ordinance approving plan is effective.
28.	6/30/09	End of legal challenge and referendum circulation period.

Major Reports and Work Products

The redevelopment planning process includes a number of major reports and work products before the City Council can go ahead with adopting the plan. Some of these are required by State law, while others are necessary for community involvement. For the most part, the Major Reports are required by the Community Redevelopment Law, while many of the Work Products are voluntary but necessary to a successful plan adoption program.

The following table shows major reports and work products, plus the estimated budget for each by involved firm. The Specialist category includes civil engineers, traffic studies, and other necessary special studies for the environmental impact report.

Report or Product	Description	Estimated Budget by Firm				
		GRC	Fraser & Assoc	SYCR	Specialist	Total
Major Reports						
Feasibility Study	This report assesses the overall feasibility of undertaking a redevelopment plan, taking into consideration the presence and extent of blight, financial feasibility, and community acceptance. Recommendations include initial boundaries, basic plan policies and whether to proceed.	\$14,000	\$7,500	\$4,000	0	\$25,500
Preliminary Plan	This is the formal initiation of the redevelopment planning process. The Preliminary Plan includes initial goals and objectives of the plan, initial detailed project area boundaries, and preliminary land use data. If Planning Commission adopts the Preliminary Plan, but the Agency decides whether to set a base year and formally circulate the Preliminary Plan.	\$3,500	0	\$700	0	\$4,200

Report or Product	Description	Estimated Budget by Firm				
		GRC	Fraser & Assoc	SYCR	Specialist	Total
School Impact Study	<p>The school impact study is an estimate of the number of students to be generated during the lifetime of the redevelopment plan and an estimate of the new school facilities necessary. The Agency provides estimates of the number of new students, and the school districts are responsible for estimating facilities needs.</p> <p>This report is new in 2007.</p>	\$1,500	\$2,500	\$750	0	\$4,750
Legal Description and Map ⁴	Often overlooked, the legal description and map is prepared by an engineer, usually costs \$10,000 to \$20,000, and is critically important in determining which land is inside and outside the project area. A poorly prepared map can keep a project from going ahead.	\$2,500	0	0	\$17,500	\$20,000
Preliminary Report	This is the major factual document for the whole redevelopment planning program. It includes lot-by-lot and building-by-building research evaluation of physical and economic conditions in the proposed project area.	\$42,000	\$7,500	\$8,500	0	\$58,000

⁴ Includes the cost of civil engineer to prepare legal descriptions and maps.

Report or Product	Description	Estimated Budget by Firm				
		GRC	Fraser & Assoc	SYCR	Specialist	Total
Preliminary Report (cont'd)	The report also contains detailed economic data and fiscal projections for the project. The proposed redevelopment program is also outlined.					
Redevelopment Plan	The Redevelopment Plan is a document that regulates the operations of the redevelopment agency in the Project Area, sets detailed goals for the redevelopment program, authorizes specific projects, and sets various limits and caps. Minimum plan limits include the time limit for the effectiveness of the plan, not to exceed 30 years, the time limit for receiving tax increment (not more than 15 years longer than the plan's effectiveness, and the maximum amount of outstanding debt at any one time. Much of the plan's content is mandated by the Community Redevelopment Law.	\$5,000	\$1,500	\$2,000	0	\$8,500

Report or Product	Description	Estimated Budget by Firm				
		GRC	Fraser & Assoc	SYCR	Specialist	Total
Program Environmental Impact Report ⁵	Environmental impact reports are required for redevelopment plan adoptions. Given the long-term character of the redevelopment program, the EIR would look at the cumulative effects of the whole program, rather than the impacts of individual projects such as road construction or a new housing tract. The EIR is distributed at the same time as the Preliminary Report and the draft Redevelopment Plan, and analyzes the impacts of the overall program contained in the Redevelopment Plan.	\$35,000	0	\$5,000	\$15,000	\$55,000
Relocation Method	As part of the redevelopment plan adoption program, the Agency has to adopt a set of guidelines for relocating individuals, families and businesses that may be dislocated as a result of redevelopment agency activities. The Agency has to have these guidelines whether or not any displacement is anticipated. They would be based upon and would be consistent with both State and Federal requirements.	\$4,500	0	\$850	0	\$5,350

⁵ Includes estimated costs of specialist studies that may be required as part of CEQA analysis.

Report or Product	Description	Estimated Budget by Firm				
		GRC	Fraser & Assoc	SYCR	Specialist	Total
Owner Participation Rules	Redevelopment agencies are required to give preference to existing owners in participating in redevelopment activities. This document details how the Agency would solicit participation, and how it would evaluate participation proposals.	\$2,000	0	\$1,500	0	\$3,500
Report to City Council	This very large document is the final report to the City Council from the Redevelopment Agency. It combines all the above reports, plus a record of all meetings and communications with others such as other taxing agencies, community meetings, interest group meetings and the like.	\$12,500	\$5,000	\$6,500	0	\$24,000
Work Products						
Newsletters	At least three, and possibly four, newsletters will be mailed out to every known resident, property owner and business in the project area. The mailings can be expanded to include all of Lodi.	\$7,500	0	\$800	0	\$8,300
Community Meetings	Community input and education is critically important to the success of a redevelopment planning program and to the ultimate success of the program's implementation. As such, the community meetings are a central	\$12,000	\$8,000	0	0	\$20,000

Report or Product	Description	Estimated Budget by Firm				
		GRC	Fraser & Assoc	SYCR	Specialist	Total
Community Meetings (cont'd)	element in the overall redevelopment planning program. The meetings will include Power Point presentations, information packages for participants, maps, presentations, and question and answer sessions.					
Community Group Meetings	These meetings are presentations to individual community organizations. The groups could include almost any interested organization, from service organizations and business organizations to church groups and fraternal organizations. Presentation materials and handouts will be prepared for each meeting.	\$5,000	\$2,000	0	0	\$7,000
Commission Representative Meetings	Representatives from City commissions or committees would meet on the planning program periodically. The purpose here is to get input from each City service group, to help identify programs, and to communicate with the overall City family.	\$5,000	\$1,000	0	0	\$6,000
Planning Commission Meetings	The Planning Commission will meet about the redevelopment planning program at least two to three times. This includes adopting the Preliminary Plan, reviewing the	\$2,500	\$1,000	\$1,250	0	\$4,750

Report or Product	Description	Estimated Budget by Firm				
		GRC	Fraser & Assoc	SYCR	Specialist	Total
Planning Commission Meetings (cont'd)	proposed Redevelopment Plan and supporting documents, evaluating consistency with the Lodi General Plan, making recommendations to the City Council/Redevelopment Agency, and initiating boundary changes as necessary.					
City Council/Agency Meetings	As the community's elected representatives, the City Council/Redevelopment Agency meet a number of times during the redevelopment planning program. At a minimum, major meetings include: <ul style="list-style-type: none"> • Kick-Off forum • Setting of base year • Adoption of Relocation Method and Owner Participation Rules • Setting of joint City Council/Agency public hearing • Joint public hearing • Ordinance adoption 	\$7,500	\$3,000	\$5,400	0	\$15,900
Expenses	Includes the cost of supplies, databases, printing, mailing, and other purchased items. Does not include travel-related costs.	\$15,000	\$1,500	\$500	\$1,000	\$18,000
Total		\$177,000	\$40,500	\$37,750	\$33,500	\$288,750

RESOLUTION NO. RDA2007-02

A RESOLUTION OF THE LODI REDEVELOPMENT AGENCY
AUTHORIZING THE CITY MANAGER/EXECUTIVE DIRECTOR TO
EXECUTE PROFESSIONAL SERVICE AGREEMENTS FOR THE
PURPOSE OF CONDUCTING VARIOUS TASKS RELATED TO
FORMING A REDEVELOPMENT PROJECT AREA

WHEREAS, the City Council/Redevelopment Agency and the Lodi Planning Commission conducted a special joint meeting on July 19, 2007, for the purpose of discussing the possibility of forming a Redevelopment Project Area in Lodi; and

WHEREAS, should the City Council/Redevelopment Agency wish to proceed in forming a Redevelopment Agency, it is recommended that the City Manager/Executive Director be authorized to enter into professional service agreements with the following agencies due to the complex and structured regulations associated with the process of forming a Project Area:

- Fraser & Associates – tasks related to financial analysis and feasibility;
- Stradling Yocca Carlson & Rauth – special legal counsel; and
- GRC Consultants – Environmental Impact Report, preparation of reports and documents, and conditions analysis.

WHEREAS, entering into the agreements does not mean the formation of a Project Area, and several decision points exist in the future to proceed to terminate.

NOW, THEREFORE, BE IT RESOLVED by the Redevelopment Agency of the City of Lodi that the City Manager/Executive Director is hereby authorized and directed, for and on behalf of the Redevelopment Agency, to execute professional service agreements with the following agencies for the purpose of conducting various tasks related to forming a Redevelopment Project Area:

- Fraser & Associates – not to exceed \$40,500
- Stradling Yocca Carlson & Rauth – not to exceed \$37,750
- GRC Consultants – not to exceed \$177,000

Dated: July 19, 2007

I hereby certify that Resolution No. RDA2007-02 was passed and adopted by the Redevelopment Agency of the City of Lodi in a special joint meeting with the Lodi City Council and Planning Commission held July 19, 2007, by the following vote:

AYES: MEMBERS – Hansen, Katzakian, Mounce, and Chairperson Johnson
NOES: MEMBERS – None
ABSENT: MEMBERS – Hitchcock
ABSTAIN: MEMBERS – None



RANDI JOHL
Agency Secretary
Redevelopment Agency of the City of Lodi

RDA2007-02

Redevelopment. *For a Better Lodi*



California has nearly 400 active redevelopment agencies in communities throughout the state, including five cities in San Joaquin County. While they are probably the least understood local government entities, redevelopment agencies represent the most important tool a community has to help breathe new life into areas in need of revitalization, economic development and new opportunity. Redevelopment activities create jobs and expand opportunities for business, provide affordable housing and homeownership opportunities for families most in need, reduce crime, improve infrastructure and lead clean up of run-down areas. Below are some key facts about redevelopment agencies and their contributions to California communities.

Redevelopment. Without it, important community projects don't get done.

An abandoned gas station doesn't turn into retail space overnight and affordable housing doesn't build itself. Revitalization of deteriorated areas doesn't just happen — someone has to make it happen. **The core function of redevelopment agencies is to serve as the catalyst for community revitalization projects in which the private sector otherwise would not be involved.**

Reflecting the community's needs:

Redevelopment agencies are local government entities usually controlled by the City Council, County Board of Supervisors or a separate appointed board (all accountable to the public). Because they are locally governed, redevelopment agencies are in the best position to identify what a community needs and to work with private investors on local projects to meet those needs.

How it works:

When redevelopment agencies make improvements to targeted areas, property values within those areas rise, resulting in an increase in property tax revenues. State law allows redevelopment agencies to use a portion of this increase to repay financial obligations they must incur in order to rehabilitate an area. Redevelopment agencies use these funds to build public improvements and infrastructure, clean up contaminated soil and do other things necessary to improve the conditions of the property. Redevelopment's commitment of funds attracts private investment and creates a chain reaction, such as job creation, where the ultimate economic output is larger than the original public investment.

In Lodi, redevelopment could mean:

- ▶ Affordable housing and homeownership
- ▶ Job growth
- ▶ Revived business districts
- ▶ Revitalization of run-down neighborhoods
- ▶ Crime reduction
- ▶ Upgraded streets, lighting, sewers and water lines
- ▶ Clean up of contaminated property
- ▶ Parks
- ▶ Libraries
- ▶ Fire and police stations and other public facilities

Redevelopment By The Numbers

8. Number of the 163 California cities with populations greater than 50,000 that do not have redevelopment agencies, of which Lodi is one.

\$8.7 billion. Redevelopment agencies' revenue in fiscal year 2005-2006, up from \$7.2 billion the previous year.

\$14. Every \$1 of redevelopment agency spending generates nearly \$14 in total economic activity.

\$381 billion. Increase in property values above base-year levels.

\$693 million. Amount spent by state redevelopment agencies in 2005-2006 in low- and moderate-income housing.

20 percent. Amount of property tax revenues generated from redevelopment activities that must be spent to increase the supply of affordable housing.

"... (C)ommunities should revisit the affordable housing possibilities in the urban core. Revitalizing already-used land reduces the need to sprawl onto farms or wetlands and uses compact growth to stop sprawl. Redevelopment in cities uses existing resources rather than forcing taxpayers to subsidize the building of new roads or sewer lines."

— Sierra Club

تعمیر نو: ایک بہتر لوڈئ شہر بنانے کا ذریعہ

لوڈئ کے شہر کی بہت سی ضروریات ہیں، مثلاً قابل برداشت رہائش (affordable housing) سے لے کر پرانی عمارتوں کی مرمت کرنا، چیروکی لین (Cherokee Lane) میں کاروبار کو بڑھانا۔ لوڈئ شہر مسلسل ان خدمات کا معائنہ کرتا ہے جن کا یہ بندوبست کرتا ہے اور اس بات پر غور کرتا ہے کہ کیسے ان کی ادائیگی کریں اور ان میں بہتری لائیں۔ دوسری کیلیفورنیا شہر کی طرح، لوڈئ کے پاس ایک ایسا ذریعہ ہے جو ان ضروریات تک پہنچ سکتا ہے جن کا ابھی سامنا نہیں ہوا ہے۔ لیکن ابھی اس کا استعمال نہیں ہوا ہے۔ اور وہ ذریعہ ہے تعمیر نو۔ تعمیر نو شہروں کو اس بات کی اجازت دیتا ہے کہ جب جائداد کے ٹیکس کی قدر بڑھے تو وہ اس کا ایک بڑا حصہ اپنے پاس رکھ سکتے ہیں۔

ریاستی تعمیر نو کے قوانین شہروں کو اس بات کی اجازت دیتے ہیں کہ وہ جائداد کی اونچی قدروں سے حاصل ہونے والے ٹیکس کا استعمال مرمت اور بہتری کے لئے کریں تاکہ ٹیکس دہندہ اور دوسری شہری خدمات سے حاصل ہونے والے ڈرین فنڈس پر زیادہ بوجھ نہ پڑے۔ تعمیر نو کے منصوبہ کے ساتھ، لوڈئ اونچی قدروں سے حاصل ہونے والے جائداد کے ٹیکس کا پانچ گنا اپنے پاس رکھے گا اور اس کا استعمال دوسری خدمات کے لئے کریگا جیسے، پولس پروٹیکشن اور پارک کا بندوبست وغیرہ۔ تعمیر نو ٹیکس میں اضافہ نہیں کرتا بلکہ یہ صرف اس طریقہ کو تبدیل کرتا ہے جس میں ٹیکس کی آمدنی تقسیم کی جاتی ہے۔

19 جولائی بروز جمعرات، شام پانچ بجے، لوڈئ کی شہری کاؤنسل، بوئز اینڈ گلز کلب، E 275 پوپلر سینٹ میں، ایک خاص میٹنگ کرے گی جس میں اس بات پر غور کیا جائے گا کہ لوڈئ میں تعمیر نو کے منصوبہ کو کس طرح عمل میں لایا جائے۔ اس دوران، مندرجہ ذیل جوابات منصوبہ سے متعلق کچھ سوالوں کے جواب دینے میں مدد کر سکتے ہیں۔

سوال: میرے لئے اس میں کیا ہے؟

جواب: اگر نو تعمیری علاقہ میں آپکی کوئی جائداد ہے تو نو تعمیری فنڈ کا استعمال گلیوں، پیدل چلنے والے راستے کے معیار کو بڑھانے، انڈر گراؤنڈ پائپ کی مرمت، اور آپکے گھر، عمارتوں یا اس پاس کی جائداد کو بہتر بنانے میں ہوگا

ریاستی قانون نو تعمیری اجینسیوں کو اس بات کی ہدایت دیتا ہے کہ وہ اپنے فنڈس کا کم سے کم بیس فیصد افرڈ ایبل رہائش پر خرچ کریں۔ قابل قبول پروگراموں کی فہرست اب تک مرتب نہیں ہوئی ہے، اس لئے آپکا اشتراک قیمتی ہے کیونکہ کمیونٹی اس بات پر غور کرتی ہے کہ تعمیر نو کس طرح لوڈئ کو فائدہ پہنچا سکتا ہے۔



سوال: نو تعمیری علاقہ کہاں ہے؟

جواب: اگر شہری کاؤنسل کسی نو تعمیری منصوبہ کو عمل میں

تعمیر نو: ایک بہتر لوڈئ شہر بنانے کا ذریعہ

لانے کی کوشش کرتی ہے تو اس کا فیصلہ لوگوں کی مدد سے ہوگا۔ ایک 2002 کی تجویز

جس میں مجوزہ منصوبہ کے علاقہ کے اندر مشرقی لوڈئ کی شناخت کی گئی ہے، ایک ابتدائی مرحلہ ہو سکتا ہے۔ سیلس ٹیکس کی وصولیابی، جو معاشی طاقت کا اشارہ ہے، حالیہ برسوں میں جغرافیائی علاقہ کے اندر گھٹ گئی ہے۔

سوال: کیا یہ زیادہ حکومتی (more government) نہیں ہے؟

جواب: یہ ایک الگ اجینسی ہے، لیکن پیسہ کیسے خرچ ہو اس کا فیصلہ لوڈئ شہری کاؤنسل کے ارکان ہی کرتے ہیں جب عوامی میٹنگ (open meeting) لوگوں کو اپنی بات رکھنے کا اختیار دیا جاتا ہے۔

سوال: کیا تعمیر نو اجینسی کسی پرائیوٹ ڈویلپر کی طرف سے میرے مکان کو لے سکتی ہے؟

جواب: لوڈئ میں نہیں۔ شہر کا ایک قانون ہے جو اسے خاص ڈومین پاورز کو استعمال کرنے سے روکتا ہے تاکہ کسی پرائیوٹ پارٹی کے لئے جائداد کو ضبط نہ کیا جائے۔ اگر نو تعمیر منصوبہ کو اختیار کیا جاتا ہے تو اس کا نفاذ اس بندش کے ساتھ ہو گا اور مستقبل میں شہری کاؤنسل لمبے پروسیس اور عوامی رائے کے بغیر کالعدم نہیں ٹھرہ سکتی۔

سوال: کیا سال 2002 کے اندر، شہر میں اس کا نفاذ نہیں کیا گیا؟

جواب: عمل تقریباً شروع ہو گیا تھا اور اس وقت بند ہوا جب ایک شہری گروپ نے اس بات پر زور دیا کہ یہ معاملہ ووٹ کے ذریعہ حل ہو۔ لوڈئ شہری کاؤنسل نے فیصلہ کو منسوخ کر دیا۔ لیکن اگر منصوبہ آگے بڑھا، تو لوڈئ نو تعمیر اجینسی مقامی منصوبوں کے لئے تقریباً \$500,000 وصول کرتی۔

سوال: میں کتنی جلدی اپنے آس پاس میں تبدیلیوں کو دیکھنے کی کوشش کر سکتا ہوں؟

جواب: یہ کام رات کی رات نہیں ہوگا۔ شہر کو اضافی ڈولر اس وقت ملتے ہیں جب جائداد کی قدر بڑھتی ہے۔ جیسا کہ زیادہ نو تعمیر فنڈس استعمال ہو تو سود مند اثرات بھی زیادہ ہوں۔

زیادہ معلومات کے لئے، شہر کے مینیجر کے دفتر سے دئے ہوئے نمبر پر رابطہ قائم کریں 333-6700

ٹیکس میں اضافہ اور
ازسر نوتعمیر و ترقی کا تعارف



July 12, 2007

ٹیکس میں اضافہ اور ازسر نو تعمیر و ترقی

تعارف

لوڈئ کو بزرگ شہریوں کے لئے محفوظ ترین اور چیب پر بار نہ گذرنے والے رہائشی مکانوں کی ضرورت ہے۔ لوڈئ سٹی کو کم آمدنی والے مالکان مکان کو پانی کے میٹر کے سلسلے میں مدد کرنی چاہئے۔ چروکی لین سے متصل علاقوں میں موٹل کا کاروبار دم توڑ رہا ہے اس لئے لوڈئ سٹی کو مزید کچھ کرنا چاہئے مکانوں کے درمیان روشوں کی حالت بھی ابتر ہے۔ لوڈئ کو ایک نئی لا ئبریری کی بھی ضرورت ہے۔ لوڈئ کو جانوروں کے لئے ایک نئے باڑے کی ضرورت ہے۔ انگور کی بیلین مقامی ورثہ ہیں جن کا صحیح استعمال اقتصادی ترقی کو چار چاند لگا سکتا ہے۔ لوڈئ کے مشرقی گوشے کو ایک نئے اجتماعی مرکز اور کچھ مزید پارکوں کی ضرورت ہے۔ بلیکلی پارک پول مزید خوب صورت نظر کیوں نہیں آتا؟ لوڈئ کو پرانی تاریخی عمارتوں کو محفوظ رکھنا چاہئے۔ سیلاب اور استعمال شدہ پانی کے ذخیرہ کا نظام کافی پرانا، فرسودہ اور ناکافی ہو چکا ہے۔ اس کے لئے لوڈئ سٹی کچھ کیوں نہیں کر رہی ہے؟۔ بجلی کی بالائی لائنوں کو زیر زمین لے جانا چاہئے نیز لوڈئ کو اپنے ٹیکس کی بنیاد کو مزید بہتر بنانے کی نئی آسا میاں پیدا کرنا چاہئے۔

یہ ہیں لوڈئ میں رہائش پذیر لوگوں کے تبصروں کے کچھ نمونے جن سے پتہ چلتا ہے کہ وہ لوڈئ سے کیا چاہتے ہیں اور کس بات کے متقاضی ہیں۔ لوڈئ سٹی اپنی طرف سے مہیا کردہ خدمات کے دائرہ کار کا مسلسل جائزہ لیتی رہتی ہے اور اس بات کا تجزیہ کرتی ہے کہ ان کو کس طرح بچا لا یا جائے اور کس طرح ان میں بہتری پیدا کی جائے۔ صرف ایک بڑے استشنائ کے ساتھ ، لوڈئ متعدد نوعیت کے موصول شدہ ٹیکسوں اور فیسوں کو پوری طرح بروئے کار لا تی ہے۔ لوڈئ صوبائی اور وفاقی حکومتوں اور پرائیویٹ سکٹر سے فنڈ حاصل کرنے کے لئے پورا جتن کرتی ہے تاکہ اپنی طرف سے مہیا کردہ خدمات کے دائرہ کار کو وسیع کر کے ایک "مکمل خدمات مہیا کرنے والی سٹی بن جائے"۔

ایک بڑا ذریعہ آمدنی جسے لوڈئ فی الحال استعمال نہیں کر رہا ہے وہ ہے ٹیکس میں اضافہ جسے صوبائی قانون کے مطابق ہر سٹی کو فراہم کیا جاتا ہے اور جس کی تصریح صحت اور سلامتی کے قانون کے طور پر کی گئی ہے۔ کیلی فورنیا کے تقریباً 80 فیصد سٹیز اس اضافی ٹیکس آمدنی کو اپنے شہریوں کی مقامی ضرورتوں اور کاموں پر خرچ کرتی ہیں۔ مذکورہ بالا فہرست میں مندرج ہر مطلوبہ پروگرام، سہولت اور خدمات کی ضروریات کو اس اضافی ٹیکس سے ہی پورا کیا جاتا ہے۔ یہ آمدنی کا ایک ایسا ذریعہ ہے جو پرانے ٹیکسوں کو بڑھاتا بھی نہیں ہے۔

ٹیکس میں اضافہ کیلی فورنیا کی ازسر نو تعمیر و ترقی کا ایک جز ہے۔ آئندہ کئی مہینوں تک سٹی کونسل اس بات کا جائزہ لے گی کہ ٹیکس میں اضافہ سے لوڈئ کو کس طرح فائدہ پہنچ سکتا ہے۔ اس کا نتیجہ لوڈئ کی حدود میں ایک از سر نو ترقیاتی منصوبہ کی شکل میں برآمد ہو سکتا ہے۔ اس مقالے کا مقصد ٹیکس میں اضافے اور ازسر نو تعمیر و ترقی پر ایک سرسری نظر ڈالنا ہے نیز کونسل اور کمیونٹی کے اراکین کو مقامی ذرائع سے حاصل شدہ اس قدر طاقتور ہتھیار کے بارے میں مزید جان کاری فراہم کرنا ہے۔

[illegible]

حکومت کے لئے ایک نیا سیریز کو جاری کیا

۵- پھر اپنے حق کی تسبیح

[illegible]

اس کی رقم 2850 ڈالر موصول ہوگی۔ لہٰذا اس کے زیرِ ملاحظہ میں آئے گی۔

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3. 2. 1. 2. 3. 4. 5. 6. 7. 8. 9. 10. 11. 12. 13. 14. 15. 16. 17. 18. 19. 20. 21. 22. 23. 24. 25. 26. 27. 28. 29. 30. 31. 32. 33. 34. 35. 36. 37. 38. 39. 40. 41. 42. 43. 44. 45. 46. 47. 48. 49. 50. 51. 52. 53. 54. 55. 56. 57. 58. 59. 60. 61. 62. 63. 64. 65. 66. 67. 68. 69. 70. 71. 72. 73. 74. 75. 76. 77. 78. 79. 80. 81. 82. 83. 84. 85. 86. 87. 88. 89. 90. 91. 92. 93. 94. 95. 96. 97. 98. 99. 100. 101. 102. 103. 104. 105. 106. 107. 108. 109. 110. 111. 112. 113. 114. 115. 116. 117. 118. 119. 120. 121. 122. 123. 124. 125. 126. 127. 128. 129. 130. 131. 132. 133. 134. 135. 136. 137. 138. 139. 140. 141. 142. 143. 144. 145. 146. 147. 148. 149. 150. 151. 152. 153. 154. 155. 156. 157. 158. 159. 160. 161. 162. 163. 164. 165. 166. 167. 168. 169. 170. 171. 172. 173. 174. 175. 176. 177. 178. 179. 180. 181. 182. 183. 184. 185. 186. 187. 188. 189. 190. 191. 192. 193. 194. 195. 196. 197. 198. 199. 200. 201. 202. 203. 204. 205. 206. 207. 208. 209. 210. 211. 212. 213. 214. 215. 216. 217. 218. 219. 220. 221. 222. 223. 224. 225. 226. 227. 228. 229. 230. 231. 232. 233. 234. 235. 236. 237. 238. 239. 240. 241. 242. 243. 244. 245. 246. 247. 248. 249. 250. 251. 252. 253. 254. 255. 256. 257. 258. 259. 260. 261. 262. 263. 264. 265. 266. 267. 268. 269. 270. 271. 272. 273. 274. 275. 276. 277. 278. 279. 280. 281. 282. 283. 284. 285. 286. 287. 288. 289. 290. 291. 292. 293. 294. 295. 296. 297. 298. 299. 300. 301. 302. 303. 304. 305. 306. 307. 308. 309. 310. 311. 312. 313. 314. 315. 316. 317. 318. 319. 320. 321. 322. 323. 324. 325. 326. 327. 328. 329. 330. 331. 332. 333. 334. 335. 336. 337. 338. 339. 340. 341. 342. 343. 344. 345. 346. 347. 348. 349. 350. 351. 352. 353. 354. 355. 356. 357. 358. 359. 360. 361. 362. 363. 364. 365. 366. 367. 368. 369. 370. 371. 372. 373. 374. 375. 376. 377. 378. 379. 380. 381. 382. 383. 384. 385. 386. 387. 388. 389. 390. 391. 392. 393. 394. 395. 396. 397. 398. 399. 400. 401. 402. 403. 404. 405. 406. 407. 408. 409. 410. 411. 412. 413. 414. 415. 416. 417. 418. 419. 420. 421. 422. 423. 424. 425. 426. 427. 428. 429. 430. 431. 432. 433. 434. 435. 436. 437. 438. 439. 440. 441. 442. 443. 444. 445. 446. 447. 448. 449. 450. 451. 452. 453. 454. 455. 456. 457. 458. 459. 460. 461. 462. 463. 464. 465. 466. 467. 468. 469. 470. 471. 472. 473. 474. 475. 476. 477. 478. 479. 480. 481. 482. 483. 484. 485. 486. 487. 488. 489. 490. 491. 492. 493. 494. 495. 496. 497. 498. 499. 500. 501. 502. 503. 504. 505. 506. 507. 508. 509. 510. 511. 512. 513. 514. 515. 516. 517. 518. 519. 520. 521. 522. 523. 524. 525. 526. 527. 528. 529. 530. 531. 532. 533. 534. 535. 536. 537. 538. 539. 540. 541. 542. 543. 544. 545. 546. 547. 548. 549. 550. 551. 552. 553. 554. 555. 556. 557. 558. 559. 560. 561. 562. 563. 564. 565. 566. 567. 568. 569. 570. 571. 572. 573. 574. 575. 576. 577. 578. 579. 580. 581. 582. 583. 584. 585. 586. 587. 588. 589. 590. 591. 592. 593. 594. 595. 596. 597. 598. 599. 600. 601. 602. 603. 604. 605. 606. 607. 608. 609. 610. 611. 612. 613. 614. 615. 616. 617. 618. 619. 620. 621. 622. 623. 624. 625. 626. 627. 628. 629. 630. 631. 632. 633. 634. 635. 636. 637. 638. 639. 640. 641. 642. 643. 644. 645. 646. 647. 648. 649. 650. 651. 652. 653. 654. 655. 656. 657. 658. 659. 660. 661. 662. 663. 664. 665. 666. 667. 668. 669. 670. 671. 672. 673. 674. 675. 676. 677. 678. 679. 680. 681. 682. 683. 684. 685. 686. 687. 688. 689. 690. 691. 692. 693. 694. 695. 696. 697. 698. 699. 700. 701. 702. 703. 704. 705. 706. 707. 708. 709. 710. 711. 712. 713. 714. 715. 716. 717. 718. 719. 720. 721. 722. 723. 724. 725. 726. 727. 728. 729. 730. 731. 732. 733. 734. 735. 736. 737. 738. 739. 740. 741. 742. 743. 744. 745. 746. 747. 748. 749. 750. 751. 752. 753. 754. 755. 756. 757. 758. 759. 760. 761. 762. 763. 764. 765. 766. 767. 768. 769. 770. 771. 772. 773. 774. 775. 776. 777. 778. 779. 780. 781. 782. 783. 784. 785. 786. 787. 788. 789. 790. 791. 792. 793. 794. 795. 796. 797. 798. 799. 800. 801. 802. 803. 804. 805. 806. 807. 808. 809. 810. 811. 812. 813. 814. 815. 816. 817. 818. 819. 820. 821. 822. 823. 824. 825. 826. 827. 828. 829. 830. 831. 832. 833. 834. 835. 836. 837. 838. 839. 8

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2017-2018-2019-2020-2021-2022-2023-2024-2025-2026-2027-2028-2029-2030-2031-2032-2033-2034-2035-2036-2037-2038-2039-2040-2041-2042-2043-2044-2045-2046-2047-2048-2049-2050-2051-2052-2053-2054-2055-2056-2057-2058-2059-2060-2061-2062-2063-2064-2065-2066-2067-2068-2069-2070-2071-2072-2073-2074-2075-2076-2077-2078-2079-2080-2081-2082-2083-2084-2085-2086-2087-2088-2089-2090-2091-2092-2093-2094-2095-2096-2097-2098-2099-2100-2101-2102-2103-2104-2105-2106-2107-2108-2109-2110-2111-2112-2113-2114-2115-2116-2117-2118-2119-2120-2121-2122-2123-2124-2125-2126-2127-2128-2129-2130-2131-2132-2133-2134-2135-2136-2137-2138-2139-2140-2141-2142-2143-2144-2145-2146-2147-2148-2149-2150-2151-2152-2153-2154-2155-2156-2157-2158-2159-2160-2161-2162-2163-2164-2165-2166-2167-2168-2169-2170-2171-2172-2173-2174-2175-2176-2177-2178-2179-2180-2181-2182-2183-2184-2185-2186-2187-2188-2189-2190-2191-2192-2193-2194-2195-2196-2197-2198-2199-2200-2201-2202-2203-2204-2205-2206-2207-2208-2209-2210-2211-2212-2213-2214-2215-2216-2217-2218-2219-2220-2221-2222-2223-2224-2225-2226-2227-2228-2229-2230-2231-2232-2233-2234-2235-2236-2237-2238-2239-2240-2241-2242-2243-2244-2245-2246-2247-2248-2249-2250-2251-2252-2253-2254-2255-2256-2257-2258-2259-2260-2261-2262-2263-2264-2265-2266-2267-2268-2269-2270-2271-2272-2273-2274-2275-2276-2277-2278-2279-2280-2281-2282-2283-2284-2285-2286-2287-2288-2289-2290-2291-2292-2293-2294-2295-2296-2297-2298-2299-2300-2301-2302-2303-2304-2305-2306-2307-2308-2309-2310-2311-2312-2313-2314-2315-2316-2317-2318-2319-2320-2321-2322-2323-2324-2325-2326-2327-2328-2329-2330-2331-2332-2333-2334-2335-2336-2337-2338-2339-2340-2341-2342-2343-2344-2345-2346-2347-2348-2349-2350-2351-2352-2353-2354-2355-2356-2357-2358-2359-2360-2361-2362-2363-2364-2365-2366-2367-2368-2369-2370-2371-2372-2373-2374-2375-2376-2377-2378-2379-2380-2381-2382-2383-2384-2385-2386-2387-2388-2389-2390-2391-2392-2393-2394-2395-2396-2397-2398-2399-2400-2401-2402-2403-2404-2405-2406-2407-2408-2409-2410-2411-2412-2413-2414-2415-2416-2417-2418-2419-2420-2421-2422-2423-2424-2425-2426-2427-2428-2429-2430-2431-2432-2433-2434-2435-2436-2437-2438-2439-2440-2441-2442-2443-2444-2445-2446-2447-2448-2449-2450-2451-2452-2453-2454-2455-2456-2457-2458-2459-2460-2461-2462-2463-2464-2465-2466-2467-2468-2469-2470-2471-2472-2473-2474-2475-2476-2477-2478-2479-2480-2481-2482-2483-2484-2485-2486-2487-2488-2489-2490-2491-2492-2493-2494-2495-2496-2497-2498-2499-2500-2501-2502-2503-2504-2505-2506-2507-2508-2509-2510-2511-2512-2513-2514-2515-2516-2517-2518-2519-2520-2521-2522-2523-2524-2525-2526-2527-2528-2529-2530-2531-2532-2533-2534-2535-2536-2537-2538-2539-2540-2541-2542-2543-2544-2545-2546-2547-2548-2549-2550-2551-2552-2553-2554-2555-2556-2557-2558-2559-2560-2561-2562-2563-2564-2565-2566-2567-2568-2569-2570-2571-2572-2573-2574-2575-2576-2577-2578-2579-2580-2581-2582-2583-2584-2585-2586-2587-2588-2589-2590-2591-2592-2593-2594-2595-2596-2597-2598-2599-2600-2601-2602-2603-2604-2605-2606-2607-2608-2609-2610-2611-2612-2613-2614-2615-2616-2617-2618-2619-2620-2621-2622-2623-2624-2625-2626-2627-2628-2629-2630-2631-2632-2633-2634-2635-2636-2637-2638-2639-2640-2641-2642-2643-2644-2645-2646-2647-2648-2649-2650-2651-2652-2653-2654-2655-2656-2657-2658-2659-2660-2661-2662-2663-2664-2665-2666-2667-2668-2669-2670-2671-2672-2673-2674-2675-2676-2677-2678-2679-2680-2681-2682-2683-2684-2685-2686-2687-2688-2689-2690-2691-2692-2693-2694-2695-2696-2697-2698-2699-2700-2701-2702-2703-2704-2705-2706-2707-2708-2709-2710-2711-2712-2713-2714-2715-2716-2717-2718-2719-2720-2721-2722-2723-2724-2725-2726-2727-2728-2729-2730-2731-2732-2733-2734-2735-2736-2737-2738-2739-2740-2741-2742-2743-2744-2745-2746-2747-2748-2749-2750-2751-2752-2753-2754-2755-2756-2757-2758-2759-2760-2761-2762-2763-2764-2765-2766-2767-2768-2769-2770-2771-2772-2773-2774-2775-2776-2777-2778-2779-2780-2781-2782-2783-2784-2785-2786-2787-2788-2789-2790-2791-2792-2793-2794-2795-2796-2797-2798-2799-2800-2801-2802-2803-2804-2805-2806-2807-2808-2809-2810-2811-2812-2813-2814-2815-2816-2817-2818-2819-2820-2821-2822-2823-2824-2825-2826-2827-2828-2829-2830-2831-2832-2833-2834-2835

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۱۲۔ کتب و رسائل کے لئے قرضہ کی رقمیں

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سہ ماہی کے نظام کے نکاسی کی پانی کے پتلا اور ستلا کے پانی پتہ شدہ استمال منصوبہ کے پتہ منصوبہ کے پتہ

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۱۰۵۹۶۸۷۶۵۴۳۲۱۰

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၆၈၆၆။ အ- (၇၀၀) အထိပါရှိသော အောက်ပါ အမျိုးအမည်များကို အောက်ပါအတိုင်း ဖော်ပြပါ။
 အောက်ပါအတိုင်း ဖော်ပြပါ။ (၇၀၀) အထိပါရှိသော အောက်ပါ အမျိုးအမည်များကို အောက်ပါအတိုင်း ဖော်ပြပါ။

یہ یقینی اور قویہ کی ہو سکتی ہے جو ہر مقلد کی وہی آمدنی کا اندازہ اجافہ میں ہو سکتی ہے

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اضافی ٹیکس حاصل کرنے سے پہلے از سرنو ترقیاتی ایجنسیوں کو یہ دکھانا ضروری ہے کہ ان پر مالی ذمہ داریاں (قرض) ہیں - یہ اطلاع ان سے لیکے ایک دستاویز کی شکل میں ان کی کاؤٹیز کو منتقل کر دیا جاتا ہے جسے عام طور سے از سرنو ترقیاتی ایجنسیوں کے "اسٹیٹمنٹ آف انڈیٹڈنس" یا ایس او آئی کے نام سے جانا جاتا ہے۔ اس ایس او آئی کے بغیر اسٹیٹ کسی بھی مقامی ایجنسی کو اضافی ٹیکس وصول کرنے اور پھر اسے خود ہی ڈکار جانے سے روک نہیں سکتا۔

سوالات و جوابات

سوال : اضافی ٹیکس اور از سرنو تعمیر و ترقی کے مصارف کی نگرانی کون کرتا ہے؟
جواب : سٹی کونسل کے منتخب اراکین جو ری ڈیولپمنٹ ایجنسی کے گورننگ بورڈ کی حیثیت سے کام کرتے ہیں - اس طرح مقامی طور پر حاصل شدہ اضافی آمدنی پر کمیونٹی کو پورا پورا اختیار حاصل ہوتا ہے۔

سوال : کیا ری ڈیولپمنٹ ایریا میں رہائش میری جائداد کی قدر و قیمت کم کر دیتی ہے؟
جواب : اس بات کا کوئی ثبوت نہیں ہے کہ اس سے جائداد کی قدر و قیمت گھٹ جاتی ہے۔ حقیقت اس کے برعکس ہے۔ مخصوص حالات میں اس علاقے کی آمدنی زیادہ ہو نے کے امکان سے ایک شخص بجا طور پر یہ توقع کر سکتا ہے کہ اس کی دوبارہ فروخت کی قدر و قیمت بڑھ جائے گی۔ آپ خود ہی سوچیں اگر اضافی ٹیکس کی آمدنی سے پانی، سیوریج، اور سیلاب پانی کی نکاسی کے نظام کو بہتر بنایا جاتا ہے تو اس سے جائداد کی قدر و قیمت گھٹے گی یا اور بڑھے گی؟ کیا ایک نئی لائبریری جائداد کی قدر و قیمت گھٹائے گی یا بڑھائے گی؟ - 1998 میں پیش کردہ در دیا رپورٹ نے اس بات پر زور دیا ہے کہ پروجیکٹ ایریا میں تخمیں شدہ جائداد کی قدر و قیمت پروجیکٹ ایریا سے باہر کی اسی طرح کی زیر استعمال جائدادوں کے مقابلے میں دوگنی ہو تی ہیں۔
سوال : کیا اضافی ٹیکس کے نظام عمل کے مطابق جائداد ٹیکس کو منتقل کرنے سے اسکولوں کو نقصان پہنچتا ہے؟

جواب : نہیں - جب کہ اسکولوں کی سرمایہ کاری کا نظام پیچیدہ اور قدرے مبہم بھی ہے۔ لیکن بنیادی بات یہ ہے کہ اسٹیٹ انہیں یومیہ حاضری پر مبنی تناسب کے حساب سے فنڈ مہیا کرتا ہے۔

سوال : مجھے کیسے یقین ہو کہ سٹی میری جائداد کے پیچھے ہاتھ دھو کے نہیں پڑی ہے؟

جواب : سٹی کونسل نے آرڈی نینس 1775 اور 1776 پاس کیا ہے جو ظاہری بالا دستی کو پا بجولاں کرنے کے لئے مقامی تشویش پر مبنی ہے۔ مزید براں اسٹیٹ کا نیا قانون جو یکم جنوری 2007 سے نافذ العمل ہو چکا ہے ری ڈیولپمنٹ ایجنسیز کو یہ حکم دیتا ہے کہ وہ ظاہری بالا دستی کی بابت اپنے عزائم کی وضاحت کریں۔ ری ڈیولپمنٹ ایجنسی ظاہری بالا دستی کو جائداد کے حصول کے لئے استعمال نہیں کرے گی۔

سوال : چھوٹے کاروبار کا کیا ہوگا؟

جواب : چھوٹے کاروبار ضروری بنیادی ڈھانچوں پر استوار ہو تے ہیں۔ ری ڈیولپمنٹ ایجنسی نئے پارکنگ کی تعمیر پیدل چلنے کے راستے اور علامات وغیرہ بنانے کے مصارف برداشت کر سکتی ہے۔ ایجنسی بطور خاص چھوٹے درجے کے کاروبار میں مدد فراہم کرنے کا پروگرام بنا سکتی ہے۔ نیز ری ڈیولپمنٹ ایجنسی کا یہ مخصوص فریضہ بھی ہے کہ وہ موجودہ کاروبار اور رہائش پذیر لوگوں کو ترقیاتی مواقع میں ترجیح دے۔

سوال : کیا مجھ پر جائداد کی دیکھ ریکھ کی مزید ذمہ داری عائد ہو تی ہے؟
جواب : نہیں - اکثر و بیشتر ترقیاتی منصوبوں میں جائداد کی دیکھ ریکھ کے اخراجات کا کوئی ذکر نہیں ہوتا۔

سوال : کیا کچھ حکومت کے بھی قانونی نظام ہیں؟

؟ کیسے لپٹی ہے

سے سب سے پہلے اس کے تمام اعضاء کو دیکھیں اور پھر اس کے اندر سے دیکھیں۔
- اس کے اندر سے دیکھیں اور پھر اس کے اندر سے دیکھیں۔

اس کے اندر سے دیکھیں اور پھر اس کے اندر سے دیکھیں۔
- اس کے اندر سے دیکھیں اور پھر اس کے اندر سے دیکھیں۔

اس کے اندر سے دیکھیں اور پھر اس کے اندر سے دیکھیں۔
- اس کے اندر سے دیکھیں اور پھر اس کے اندر سے دیکھیں۔

اس کے اندر سے دیکھیں اور پھر اس کے اندر سے دیکھیں۔
- اس کے اندر سے دیکھیں اور پھر اس کے اندر سے دیکھیں۔

اس کے اندر سے دیکھیں اور پھر اس کے اندر سے دیکھیں۔
- اس کے اندر سے دیکھیں اور پھر اس کے اندر سے دیکھیں۔

اس کے اندر سے دیکھیں اور پھر اس کے اندر سے دیکھیں۔
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Redevelopment: The Unknown Government

What It Is. What Can Be Done.

A Report to **the** People of California

August, 1998 Second Edition

Redevelopment: The **Unknown Government**
is published by Municipal **Officials** for Redevelopment Reform (MORR),
through a grant from the Fieldstead Institute, Irvine, CA.

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Redevelopment: The unknown government

Preface to the Second Edition

When *first* published in **October**, 1996, *Redevelopment: The Unknown Government* was intended to be a concise, user-friendly guide for both concerned citizens and elected officials. The tremendous **response** has surpassed **our** most hopeful **expectations**. Requests have come from every corner of California, quickly exhausting **our** initial printing of 3,000 and our reprinting of 5,000 copies in May, 1997.

From the State Capitol to **the** city **halls**, from **news** reporters to civic leaders, *Redevelopment: The Unknown Government* has become an **influential resource** for fiscal reform.

Of course, the redevelopment establishment is not pleased. The California Redevelopment Association's monthly newsletter created **the** caustic acronym "RUG in referring to *Redevelopment: The Unknown Government*, but they cannot ignore its influence. Their only factual criticism has been the claim that we exaggerated redevelopment debt by including outstanding interest with principal. Only principal should be considered, **they** say, **when** looking **at** redevelopment debt. **Our text and graphs**, however, **make** it clear that **our figures** include both principal and interest, with **numbers** lifted directly **from** the State Controller's Office.

The CRA's comments have, however, caused us **look** at debt in **a new** way. While long-term interest payments will consume **an** ever-greater share of property taxes, **the** principal alone could be paid **off** from existing agency **assets**. Avoiding future interest, **debts of all agencies** could be paid off now, thus freeing up property taxes for **real** public needs.

The Second **Edition's** major change is a **new chapter--Chapter 11**—which **proposes** to pay off redevelopment debt **by** liquidating assets, and freeing **\$1.5** billion in annual **tax** increment for public schools and local **government**. **Properly** **taxes** now subsidizing commercial development would **fund** **our** children's education and public **safety**.

In **addition**, **graphs** have been updated and the latest redevelopment bills in the legislature have been added. **New** Tables VIII, and IX have been added to show **the** impact of **using** redevelopment **money** for public education. A **more** concise bibliography **has** also **been** added.

Through its publications and conferences, Municipal **Officials** for Redevelopment Reform (MORR) has helped enable **citizens** to challenge redevelopment **power, and** emboldened public officials to look beyond narrow special interests to **see** a **broader** public constituency. **Our next** semi-annual conference will be **October 10, 1998**, at the San Francisco **Airport** Westin Hotel. Call 714-871-9756 for details.

Many thanks to State controller Kathleen Connell, who provided much of the information in this **book** through **her** office's annually published **reports**. Thanks to Michael Dardia of **the** Public Policy Institute, whose *Subsidizing Redevelopment in California (1998)* is an exhaustive **analysis** of **the true cost** of redevelopment. Special thanks to Sacramento **Bee** columnist **Dan** Walters and Riverside **Press-Enterprise** investigative reporter Dave Danelski, for making redevelopment more understandable to **the** general public.

Thanks, too, to the many friends and supporters whose **insights**, dedication and encouragement have **made this book** possible.

Redevelopment thrives on public ignorance. Both lay people and elected officials are often intimidated by the complexity of redevelopment law, its specialized jargon and mind-numbing financial figures. Redevelopment is, however, easy to understand, if presented in an organized way and using plain English. From understanding comes knowledge. From knowledge comes power-the power to change.

*Chris Norby
Fullerton, CA
July, 1998*



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Redevelopment: The Unknown Government

The Unknown Government

Chapter 1

There is an **unknown** layer of government in California, which few understand.

This **unknown** government currently consumes 8 percent of all property taxes statewide, **\$1.5 billion in 1997**. It has a **total** indebtedness of over **\$41 billion**.

It **is** supported by a powerful Sacramento lobby, backed by an army of lawyers, consultants, bond **brokers** and land developers.

Unlike new counties, cities **and** school districts, it can be created without a vote of the citizens affected.

Unlike other levels of government, it can incur bonded **indebtedness** without voter approval.

Unlike other government entities, it may use the power of eminent domain to benefit private interests.

This **unknown** government provides no public services. It does not educate **our** children, maintain **our streets**, protect us from crime, **nor stock** our libraries.

It claims to **eliminate** blight and promote economic development, yet there is no evidence it has done so in the half **century** since it was created.

Indeed, it has become a rapidly growing drain on California's public resources, amassing enormous power with little public **awareness** or **oversight**.

This **unknown** government is Redevelopment.

It is time Californians **knew** more about it.

State law **allows** a city council to **create** a redevelopment agency **to** administer **one** or more "project **areas**" **within its boundaries**. **An area may be** small, **or it can encompass the entire city**.

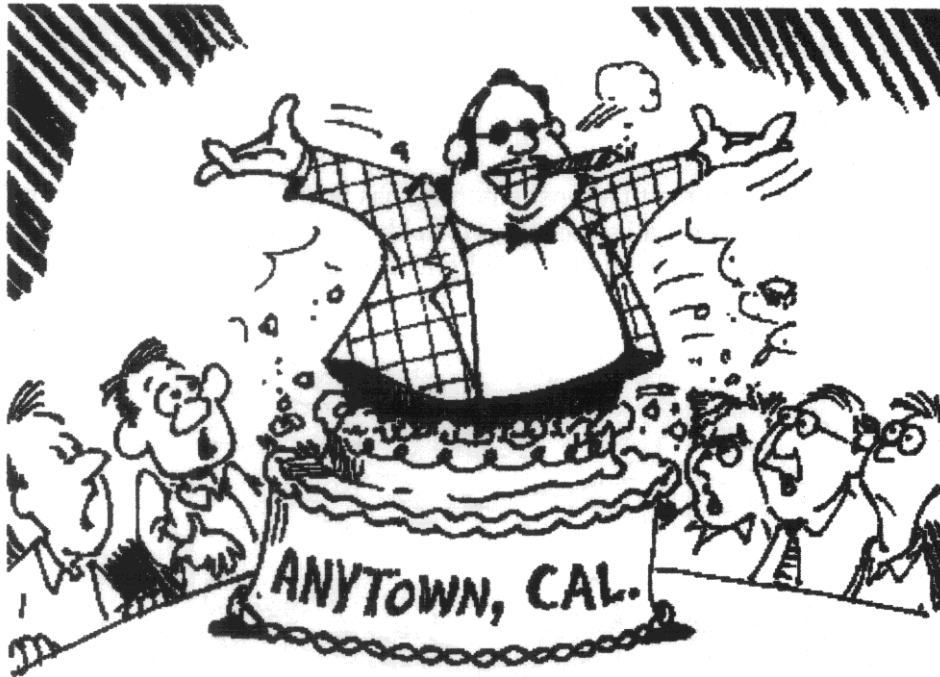
These project areas **are** governed by a redevelopment agency with its own staff **and** governing board, appointed **by the** city council.

Thus, an agency and city **may appear** to be one entity. **Often** city councils appoint **themselves as** agency members, with council meetings doubling as redevelopment meetings. **Legally, however, a** redevelopment agency is **an** entirely separate government authority, with its own revenue, budget, staff and expanded powers to issue debt and condemn private property.

Out of California's 471 cities, 359 have created redevelopment agencies. No vote of the residents affected was **required**. No **review** by the Local Agency Formation Commission (LAFCO) was done.

Californians often confuse redevelopment with federal "urban renewal" projects typical of large **eastern** cities of the **1940s-'60s**. Sadly, the methods and results are often similar. Yet redevelopment is a **state-**

authorized layer of government without federal funds, rules or requirements. It is entirely within the power of the California legislature and **voters** to control, reform, amend or abolish.



**"I'm from
"I'm from Redevelopment and I'm here to help you."**



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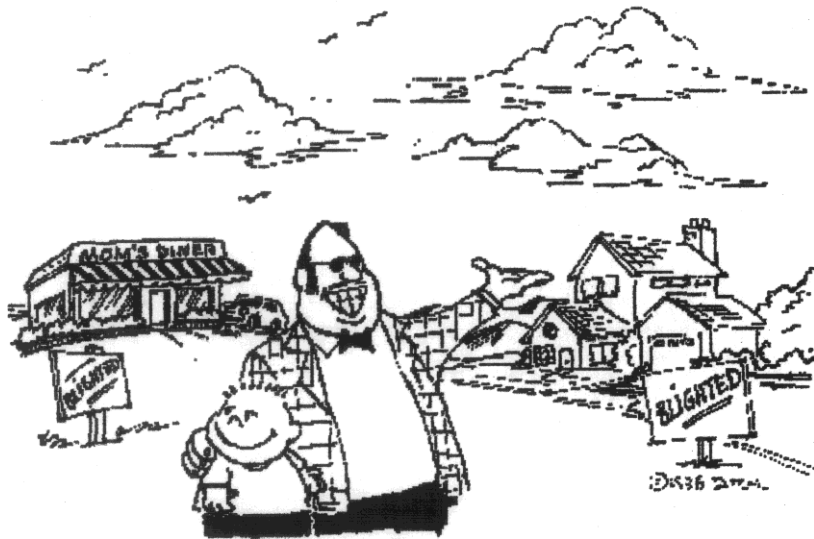
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Blight Makes Right

Chapter 2

All a city **need** do to justify creation or expansion of a redevelopment area is to declare it "blighted".

This is easily done. State law **is** so vague that most anything **has** been designated as "**blight**". Parkland, new residential areas, professional baseball stadiums, oil fields, shopping centers, orange groves, open desert and **dry** riverbeds have all **been** designated as "blight" for redevelopment purposes.



"It's easy ... blight is whatever we say it is!"

To **make** a **finding** of **blight**, a consultant **is** hired to **conduct** a **study**. **New** redevelopment **areas** are largely driven by city staff, who choose the consultant with the approval of the city council. **Consultants** know their job is not to determine **if** there is blight, but to declare blighted whatever community conditions may be.

Blight **has** been discovered in **some** of California's most affluent **cities**. Indian Wells, a guard-gated community with **an** average \$210,000 household income, has **two** separate redevelopment **areas**.

Understandably, many homeowners fear an official designation of blight **will** hurt property values. **Small** property owners fear redevelopment's use of eminent domain. **Building** permits can **also be** denied if an applicant does not **conform** precisely to the redevelopment plan. So, local citizen groups often challenge the blight findings in court. Others are challenged by counties and school districts which stand to lose major **property tax** revenue if a new redevelopment area is created.

Recent state legislation **has** tightened definitions of **blight**, particularly those involving **open** and **agricultural** land. Yet, enforcement **is** **lax**, legal challenges costly **and** most agencies were **already** created long before recent reform attempts.

Once ~~the consultant's~~ blight findings are **ratified**, a city may *create* or expand a redevelopment area. Voter approval is never asked.

Citizens *can* force a vote by **gathering** 10% of the signatures of all **registered voters** within 30 **days** of the council **action**. Where **this has occurred**, redevelopment nearly always loses by wide margins (**rejected** in Montebello by 82%, La **Puente** by 67%, Los Alamitos by 55%, Half Moon **Bay** by 76%, **for** example).

The requirements to force a vote **are** difficult to meet, however. In the **vast** majority of **cases**, a popular vote is never held. Rather, the consultant's findings of blight **are** quickly **certified**. A law **firm** is then retained to *draw up* the **paperwork** **and** defend **against** legal **challenges**.

A growing **number** of law firms specialize in redevelopment. Like the consultants, they **are** members of the California Redevelopment Association, a **Sacramento-based** lobby. They **are** listed **in the CRA's** *directory* and **advertise** in its *newsletter*. Their livelihood depends **on the** aggressive use of redevelopment and **increasingly** imaginative definitions of blight.

To **eliminate** alleged blight, a redevelopment **agency**, *once created*, **has four extraordinary** powers held by no other government authority:

1.) **Tax Increment**: A redevelopment agency **has** the exclusive use of all **increases in** property **tax** revenues ("**tax** increment") generated in its **designated project** areas.
2.) **Bonded Debt**: **An agency has** the power to sell bonds secured against future **tax** increment, and **may** do so without voter approval.
3.) **Business Subsidies**: **An agency has** the power to give public **money** directly to developers **and** other private businesses in the **form** of cash **grants**. **tax** rebates, free land or public improvements.
4.) **Eminent Domain**: **An agency has** expanded powers to **condemn** private property, not **just** for public use, but to **transfer** to other private owners.

These four powers **represent** an enormous expansion of **government intrusion into our traditional** system of private property **and** free enterprise. Let us **carefully consider the costs** of this power **and** if it **has** done anything to eliminate **real** blight.

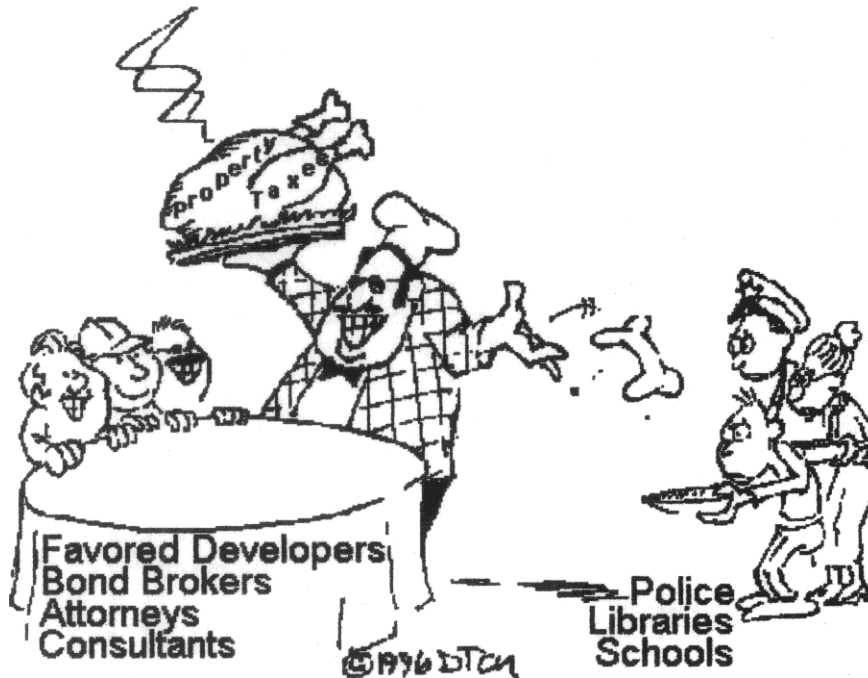


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Tax Increment Diversion

Chapter 3



Once a redevelopment project **area** is created, all **property tax increment** within it **goes** directly to the agency. This means all increases in properly tax revenues are diverted to the redevelopment agency and away from the cities, counties and school districts that would normally receive them.

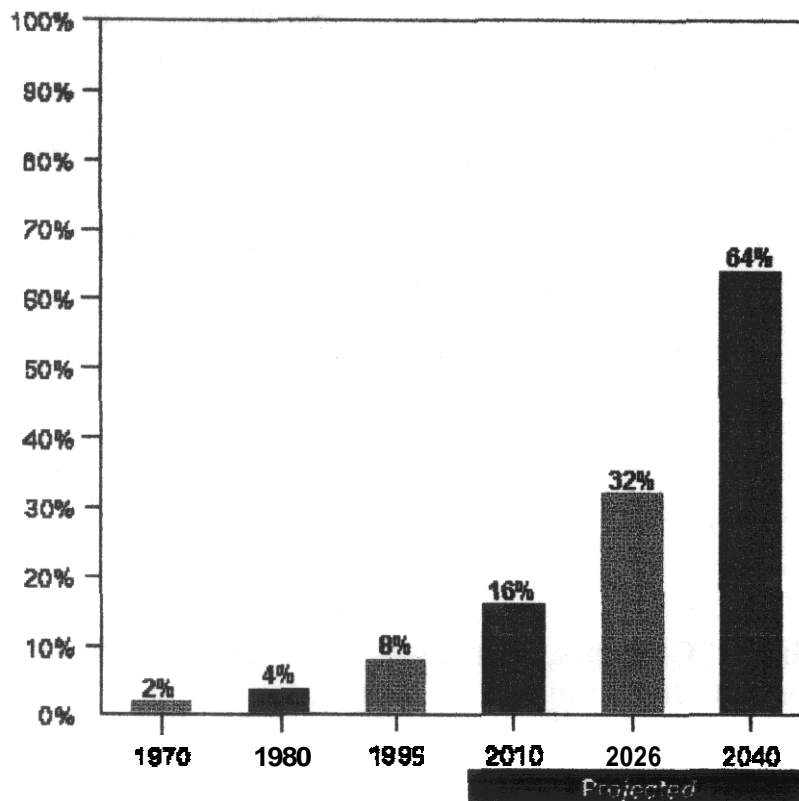
While inflation naturally forces up **expenses for** public services such **as education** and police, **their** property **tax** revenues within a redevelopment area are thus frozen. All new revenues beyond the base year can be spent **only** for redevelopment purposes

In 1997, this revenue diversion was just over \$1.5 billion statewide. This means 8% of all property taxes was diverted from public services to redevelopment schemes. Even with modest **inflation**, the percent taken **has** roughly doubled every 15 **years**. At current trends, redevelopment agencies will consume **64%** of all statewide property taxes by 2040!

If redevelopment were a **temporary** measure., as advocates once claimed, this diversion might be sustainable. Once **an** agency is disbanded, all the new **property tax** revenues would be restored to local governments. Legally, agencies are supposed **to sunset** after **40** years, but the law contains many exceptions and is easily circumvented. Of **359** redevelopment agencies created **by** cities statewide, only four have ever been disbanded.

Table I

**Property Tax Increment as a Percentage
of Total Property Tax Revenue Statewide
(Percent of Property Taxes Diverted to Redevelopment)**



Finally, hard-pressed counties are well aware of the cost of this diversion, and often go to court to challenge new redevelopment areas. In 1994, the Los Angeles County Grand Jury released its exhaustive report on redevelopment, calling for more public accountability and citing its negative effects on county services. The Los Angeles County Fire Dept. stated that it lost \$16 million to redevelopment diversions in 1994 alone.

School districts have also responded with lawsuits, sometimes forcing "pass-through" agreements to restore part of their lost revenue. They have levied new builder fees on residential development, thus passing the burden of redevelopment on to new renters and homeowners.

Cities themselves are impacted by redevelopment diversions. That part of the tax increment that would have gone to the cities' general fund (averaging 11%) is lost, and can now be used only by redevelopment agencies. Thus, there is now money to build auto malls and hotels, but less for police, fire fighters and librarians. Cities cannot use redevelopment money to pay for operations, public safety or maintenance, which are by far the largest share of municipal budgets.



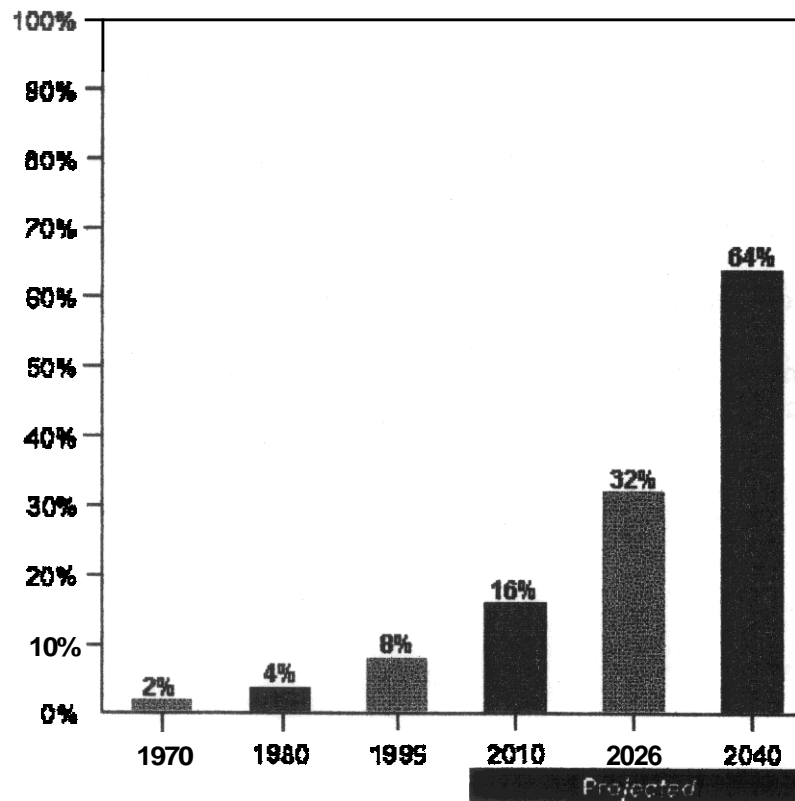
"A little diversion won't hurt, will it?"



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Table I

Property Tax Increment as a Percentage
of Total Property Tax Revenues Statewide
(Percent of Property Taxes Diverted to Redevelopment)



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Debt: Play Now, Pay Later

Chapter 4

It is **troubling** enough that redevelopment agencies divert property taxes **from** real public **needs**. But that is only part of the story.

By law, for **a** redevelopment agency **to** begin receiving property taxes, it must first incur debt. In **fact**, property **tax** revenues may **only** be used **to pay off** outstanding debt. Pay-as-you-go is **not part** of redevelopment **law** or philosophy.

Debt is not just a temptation. It is **a** requirement.

That is why redevelopment **hearings** inevitably feature **three** groups of outside "experts": the blight **consultants**, the lawyers, and the bond brokers who help the agency incur debt **so** it can **start** receiving **the tax increment**.



"It's easy... when you don't have to ask the voters!"

The bond **brokers** and debt consultants **are** easily located. They **are listed** in the California Redevelopment Association Directory. From city to city they phone, fax, travel and make presentations to sell additional debt. Naturally, redevelopment **staffs** **are** supportive. **More** debt means job security and larger payrolls.

Currently, total redevelopment indebtedness in California tops **\$41 billion**, a **figure** that is doubling every five years (Table II).

Debt levels vary widely among agencies, but all must have debt to receive the **tax** increment. Table III shows those cities with the highest **total** redevelopment indebtedness. Debt levels have **no** relation with actual blight, **as** many affluent suburban towns have higher indebtedness **than** older urban-core cities.

Table IV shows **outstanding** indebtedness per-capita.

This is the amount of per-capita **property** taxes that must be paid to cover the principal and **interest** of existing debt. This amount **must** be diverted from the cities, counties and school districts before these

redevelopment agencies *can* shut down and restore the properly **taxes** to those entities.

One would expect that if redevelopment agencies had been **successful** in eliminating "blight," they would now be **scaling** back their activities and reducing debt. In fact, redevelopment indebtedness is **growing** rapidly, draining investment money **that** could have gone to buy other government **bonds** or into the private sector.

There **are two** reasons redevelopment debt is **so** attractive: **First**, development agencies may sell bonded debt without voter approval. Unlike the state, counties and school districts, the debts need not be justified to, **or** approved **by**, the taxpayers. A quick majority vote **by** the agency is all **that is needed**.

Second, bond brokers love to sell redevelopment debt. The commissions **are** high and the buyers plentiful. Since the debt is **secured** against future **property tax revenue**, **they are seen as secure** and lucrative. If an agency **over-extends**, then surely the city's general fund will cover the debts.

Most agencies project **that** ever-rising property **tax** increments will cover **future** debt service. During the **1990s**, however, much of California's commercial **and** residential **real estate** declined in value. Property **owners sought** and received lower assessments, creating a crisis for those agencies banking **on ever-**rising property taxes. Some cities raided their general funds to service redevelopment debt.

Legally, it is unclear whether the state or individual cities **are** liable to **bail** out actually bankrupt agencies, but the expanding bubble **of** redevelopment debt must be a concern to all.

Redevelopment agencies typically issue new **bonds** to pay **off** existing ones, thus rolling over and compounding interest payments. This **cannot go on indefinitely**. Eventually, **all existing debt must be** paid with **real tax** dollars. Every dollar **that** must pay for **this** debt is a dollar **that will not be spent on** police, education and other pressing public needs.

The only **way** to avoid these **ballooning interest** payments is **to** stop issuing new debt and **pay off** existing principal **as soon as possible**. Chapter 11 explains exactly how **this** could be done.

Figures in
Billions

Table II

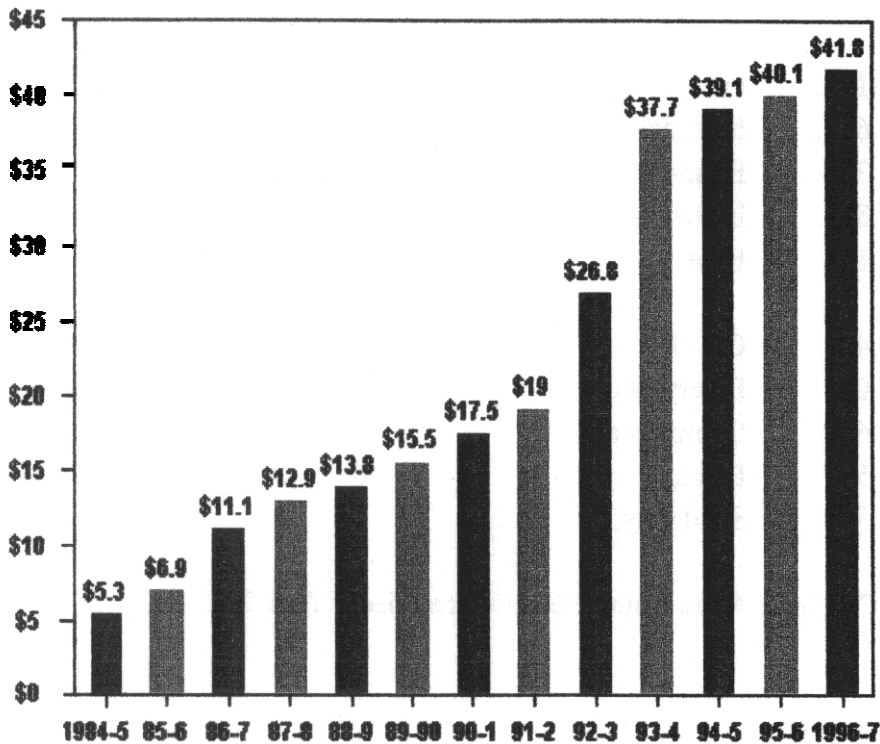


TABLE III

Top 10 Cities by Total Redevelopment Indebtedness
(Includes principal and interest of all outstanding debt)

| | | |
|----|------------------------|------------------|
| 1 | San Jose | \$2,205,140,180. |
| 2 | Los Angeles | \$2,010,052,149. |
| 3 | Fontana | \$1,509,941,789. |
| 4 | Lancaster | \$1,176,635,953. |
| 5 | Industry | \$952,810,685. |
| 6 | West Covina | \$805,019,621. |
| 7 | Chico | \$795,797,760. |
| 8 | Burbank | \$749,356,165. |
| 9 | Brea | \$661,976,870. |
| 10 | Huntington Park | \$653,090,326. |

TABLE IV

Top 10 Per-Capita Redevelopment Indebtedness by City
(Includes outstanding principal and interest)

| Per-Capita
Redevelopment
Indebtedness | City/Agency | Population | TOTAL
Redevelopment
Indebtedness |
|---|--------------|------------|--|
| \$1,401,192. | Industry | 680 | \$952,810,685. |
| 303,632. | Irwindale | 1,080 | 328,144,953. |
| 47,384. | Brisbane | 3,130 | 146,889,850. |
| 37,382. | Indian Wells | 3,100 | 115,886,139. |
| 19,132. | Brea | 34,600 | 661,976,870. |
| 16,412. | Chico | 48,450 | 795,797,760. |
| 16,085. | Emeryville | 6,500 | 104,552,578. |
| 15,688. | Commerce | 12,000 | 188,263,953. |
| 14,589. | Fontana | 103,500 | 1,509,941,789. |
| 14,368. | Sand City | 200 | 2,873,567. |

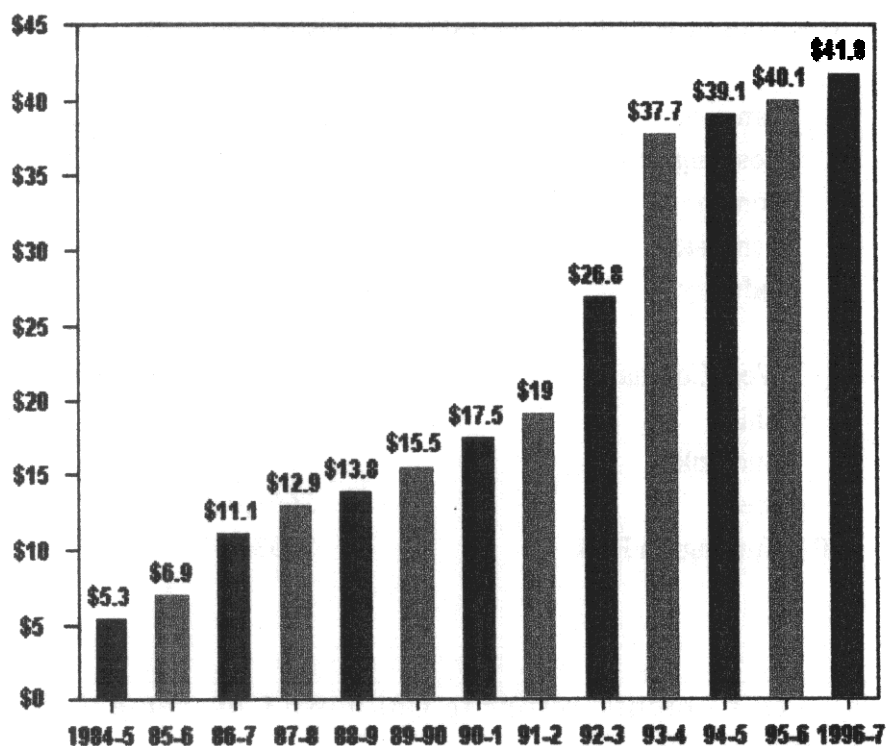
SOURCE: California ~~State~~ Controller's Office; Fiscal ~~Year~~ 1993-94



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Figures in
Billions

Table II



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Top 10 Per-Capita Redevelopment Indebtedness by City
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| Per-Capita
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SOURCE: California State Controller's Office; Fiscal Year 1993-94



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Corporate Welfare

Chapter 5

The consultant **has** found the blight. The lawyers have **drawn** up the papers and defended the agency from **suits**. The **bond** brokers have created the debt, to be paid by the tax increment that will surely flow.

Now should be the time to begin eliminating "blight," **as** required by **state** law.

In reality, very little is ever heard again about blight. Redevelopment agencies **are** driven primarily **by** *creating* new revenue. Since most cities with redevelopment have little or no real blight anyway, creating **new** government revenues becomes their prime **goal**. **They** do **so** in two ways:

Debt: **As** we have **seen**, **an** agency incurs debt to be paid by *future* property tax diversions. In **this** way, it can perpetuate its own activities indefinitely **by** **continuing** to **borrow**.

Sales tax: **By** promoting commercial development, a redevelopment agency can claim to be stimulating new sales taxes **that** benefit the city's **general** fund. In this way, it tries to **justify** itself to the citizenry and council **members** who usually double **as** agency directors.

By state law, a city's sales tax *share* is 1% of all taxable purchases. Sales taxes **are** site-based. If you live in Sacramento and **buy** a **car** in Folsom, all of **the sales tax share** from the **car** will **go** to Folsom, none to Sacramento.

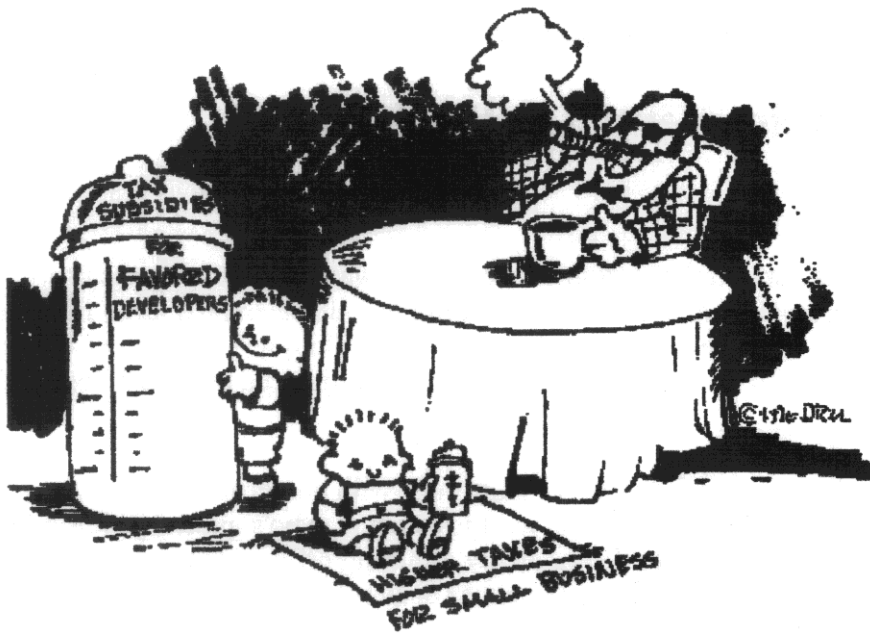
Cities have long **been** motivated to attract sales **tax** generators. City officials and chambers of commerce have touted their location, city services, and **access** to **markets**. New department stores and auto dealers have long been greeted with ribbon **cuttings** and proud announcements in the local paper.

Redevelopment **has** escalated this to a new level.

With redevelopment, cities have the power to directly subsidize commercial development through **cash** grants, tax rebates, or **free** land. Spelled **out** in a "Disposition **and** Development Agreement" (DDA) a developer receives lucrative public funding for projects the agency favors. Some receive **cash** up front from the sale of **bonds** they will never have to repay. Others receive raw acreage or land already cleared of inconvenient *small* businesses and homes. **They** purchase the **land** at substantial discount **from** the agency. Sometimes it is **free**.

Redevelopment subsidies **are** not distributed evenly. Favored developers, giant discount stores, hotels and auto dealers receive most of the money. Small business **owners**, already burdened **by** regulations and taxes, now must face giant new competitors funded **by** their own government.

Redevelopment **has** accelerated the centralization of economic power among ever-fewer corporate chains **at** the expense **of** locally-based independent businesses. *Certain large retailers such as Costco, Home Depot,* and Walmart provide valuable **service** and have every right to compete. But **are** they entitled to government subsidies?



"Some are more equal than others!"

This costly **distortion** of the **free** enterprise **system** is justified as the only way to **boost** local **sales** taxes (ending "blight" **has**, by now, been long forgotten). **Yet**, if new developments are **justified** by market demand, they will be built anyway. If **not**, they will fail, regardless of the **subsidies**. Redevelopment **has** **resulted** in a vast over building of **vacant** commercial space stimulated **more** by tax **subsidies** that by **actual** consumer demand. As cities become more predatory, financial "incentives" are needed not **just** to attract **new** businesses, but to keep long-time retailers from moving away to **neighboring** **cities**. Large retailers routinely play one city off against another **for** the greatest pay-off. **Wasteful** bidding wars **among** cities **escalate**.

Particularly avaricious are **professional** sports **franchises**. Teams ranging from the San Francisco '49ers to the Lake Elsinore **Storm** have demanded **new** **publicly-financed** stadiums. Anaheim, Los Angeles, Inglewood, Oakland and San Diego have also committed vast sums of redevelopment money for new **facilities** demanded by **franchise** owners.

In *Major League Losers* (Basic **Books**, 1997), economist **Marc Rosentraub** shows that the tax dollars lavished on professional **sport** teams and **stadiums** never produce the payoff promised by their promoters, but are a **net** drain on municipal **budgets** and local economies.

Redevelopment has become a massive **wealth-transfer** machine. **Cash** and land go to powerful developers and **corporate** retailers while small business **owners** and taxpayers must pay the **bill**.



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Redevelopment: The Unknown Government

Predatory Redevelopment: Tax Shell Game

Chapter 6

A drive north on the Santa Ana Freeway from Disneyland toward L.A. reveals the chaos redevelopment **has** wreaked. **There** is the Buena Park Auto Square, built around dealerships **lured** from nearby Fullerton. **Just** north is the old Gateway Chevrolet site. Where did it go? Just across the county line to La Mirada, which lured it **from** Buena Park with its own publicly-financed auto mall (on land conveniently designed **as** "blight").

Still further north is another auto **mall** in Santa Fe Springs, with numerous long-vacant parcels waiting for the dealerships that will **never** come. **To the** west is Cerritos, who's giant redevelopment-funded "Auto Square" became a pioneer in auto dealer piracy, **draining off** dealerships-and sales **tax** revenue-from its neighbors. Nearby Lakewood lost **so** many car dealers that its city manager labeled Cerritos the "Darth Vader of cities."

Drive any stretch of freeway in San Diego, Los Angeles, Santa Clara or other **urban** counties and you'll **see** redevelopment-funded auto **malls**, with **theii** hopeful reader **boards** and **carefully** graded-and vacant-dealer sites. They're a product of a bitter **fiscal** free-for-all, **as** cities coax each **other's** dealerships away with ever-sweeter giveaways.

Car dealers, of course, **are** loving it. They **no** longer have to make a profit **from** mere customers. They **can now** play one city **off against** another for cheap **land**, **tax rebates** and free public improvements. You **can't** blame **them**. But you can blame **the** laws that encourage **this shell** game.

The same **pattern** is repeated with department **stores**, discount chains, home improvement centers and even sports franchises (the Los Angeles Redevelopment **Agency has committed** a \$60 million bond to lure the **Lakers** and Kings **from** Inglewood). Corporate decisions **once** based on market forces **are now** determined **by** which city's redevelopment agency will cut the best deal.

The California Redevelopment Association encourages developers to expect public handouts. **On June 11, 1998**, the CRA and the International Council of Shopping Centers co-hosted a **conference bringing** city officials **and** developers **together** to promote "public-private **partnerships**," i.e., public **subsidy** of private development. The Long Beach confab ended with a "Meet the Cities Deal-Making Reception" where developers could feel out public officials for generous **hand-outs**.

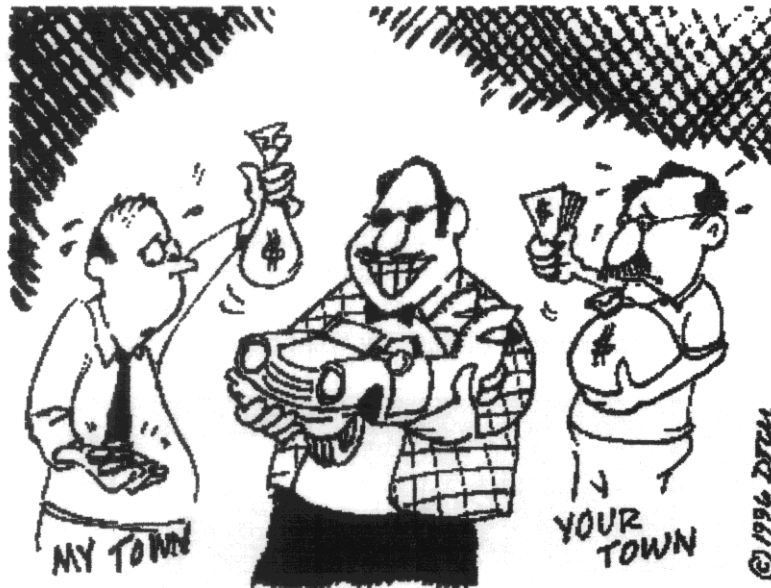
Some cities **are** winners. Some **are** losers. Some are just able to stay even. Per-capita sales **tax** revenues vary widely among cities. Even **for** the winners, however, there **are** **pitfalls**. A **major new** retailer will, after all, **draw** many customers away from existing businesses **within** the same city. **Later**, it **may** hold the city hostage, threatening to move away unless even more subsidies **are** provided.

Is this good public policy? Is it good economics?

The problem is not limited to **California**. It is **part** of a troubling **national** trend **by** which **states** outbid each other to attract **new industry**. The "economic incentives" **often** bear **little** relation to the benefits realized. When considering plant location, foreign companies now routinely play one **state** against another for the biggest subsidy package. A Ford Foundation-sponsored conference **on** "**The** Economic

War Among the States was held in **Washington, D.C.** on May 21-22, 1996, on this problem, with an economic truce being proposed among the states. Such leadership is needed here to halt California's own redevelopment revenue wars.

It is ironic that, just as we encourage former Soviet-block countries to privatize their anemic state-run industries, we increasingly entangle our local and state governments in subsidizing private business, all in the name of "economic development" policies that have repeatedly failed elsewhere.



"What'll ya bid for this auto dealership?"



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Redevelopment: The Unknown Government

The Myth Of Economic Development

Chapter 7

"Economic Development" is a common cliché among city governments and redevelopment agencies.

It refers to a belief that **tax** subsidies to selected private businesses can stimulate the local economy. It assumes that the **free** enterprise **system** alone is inadequate. It presumes that government planners can allocate resources more efficiently than *can* the free market.

The legal purpose for redevelopment remains the elimination of blight. All economic development activities must pay lip service toward that goal. Behind **this** façade, redevelopment **has** subsidized giant retailers, luxury hotels, golf courses, stadiums and even gambling casinos.

Has redevelopment succeeded in reducing true blight? By what objective **standard** can **this** be measured?



"Isn't economic development great?"

Any definition of blight must include depressed local **economies** and pockets of poverty. If redevelopment is working, then surely poverty is being reduced and the general standard of living improving.

Is there any evidence **this** is happening? **Are** residents of cities with redevelopment **better off** compared to residents of cities without redevelopment?

They aren't.

Are the 359 cities that have created redevelopment agencies **any better off** than those 102 cities that have not? If redevelopment is eliminating blight, then certainly comparisons between such cities could prove

it.

They can't.

If redevelopment was improving local economies, ~~then~~ such a ~~comparison~~ would show greater **personal income growth** in cities that do have redevelopment relative ~~to~~ those cities that do not.

It doesn't.

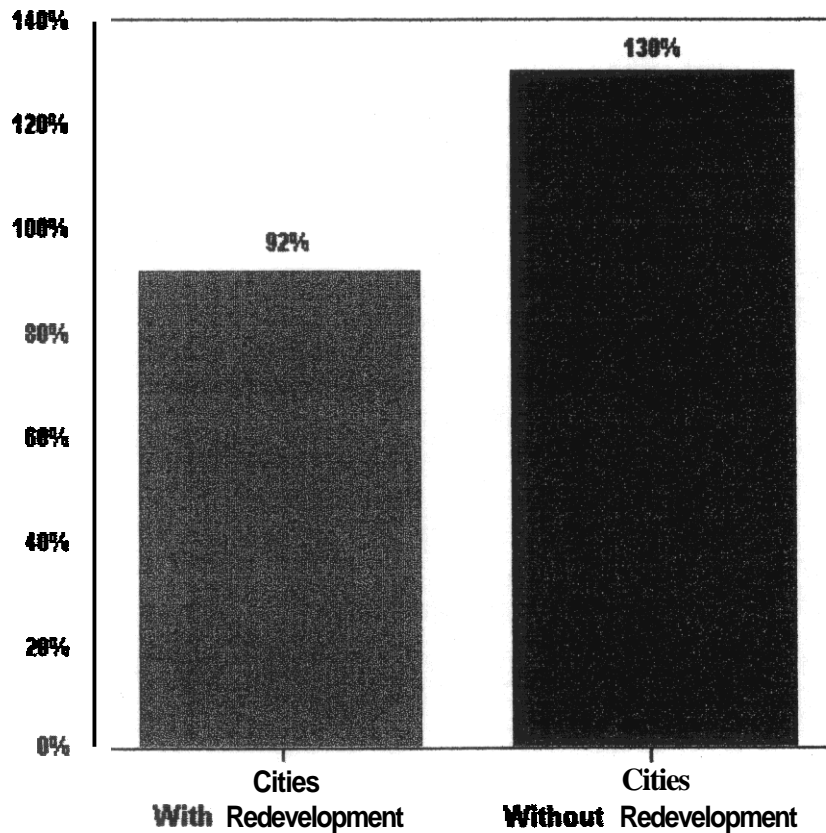
Table V is a comparison of combined average income **growth among** all cities with redevelopment and ~~those~~ without it, between ~~the years 1979-89~~. ~~As can be seen, there is no correlation between~~ redevelopment activity and personal income growth.

Table VI directly compares five ~~pairs~~ of cities of **similar size**, region and economic level. **Again**, there is no correlation ~~between growth rates~~ and redevelopment activity.

~~Both~~ Tables V and VI demonstrate that cities without redevelopment either match or **actually** exceed those cities that do, in terms of **personal income-growth**.

~~There~~ is no evidence to show ~~that all the billions spent on~~ redevelopment has done **anything** to improve the lives of ~~people~~ in those cities. There is **no** evidence that redevelopment is a positive factor ~~in the~~ elimination of blight.

Table V
Per-Capita Income Growth
Redevelopment vs. Non-Redevelopment Cities



This survey reflects the 313 cities with redevelopment agencies, and the 101 cities without redevelopment agencies, from 1979-89. Cities incorporated after 1979 are not included.

SOURCE: United States Census Bureau, State Controller.

TABLE VI
Personal Income Growth Comparison Between
Cities With and Without Redevelopment
A Region-by-Region Per-Capita Income Growth survey
Among Cities of Comparable Size and Socio-Economic Levels, 1979-1989

Los Angeles Basin:

| Status | City | 1979 | 1989 | Growth |
|--------|------|------|------|--------|
|--------|------|------|------|--------|

| | | | | |
|-------------------|------------------|---------|----------|-----|
| NO Redevelopment | Gardena | \$7,911 | \$14,601 | 85% |
| HAS Redevelopment | Hawthorne | \$8,097 | \$14,842 | 83% |
| NO Redevelopment | Artesia | \$6,520 | \$12,724 | 95% |
| HAS Redevelopment | Inglewood | \$6,962 | \$11,899 | 71% |

Bay Area:

| Status | City | 1979 | 1989 | Growth |
|-------------------|----------------|---------|----------|--------|
| NO Redevelopment | Benicia | \$9,312 | \$20,663 | 122% |
| HAS Redevelopment | Alameda | \$9,288 | \$19,833 | 114% |

Central Valley:

| Status | City | 1979 | 1989 | Growth |
|-------------------|--------------|---------|----------|--------|
| NO Redevelopment | Lodi | \$7,691 | \$14,638 | 90% |
| HAS Redevelopment | Chico | \$6,065 | \$10,584 | 74% |

Small Cities:

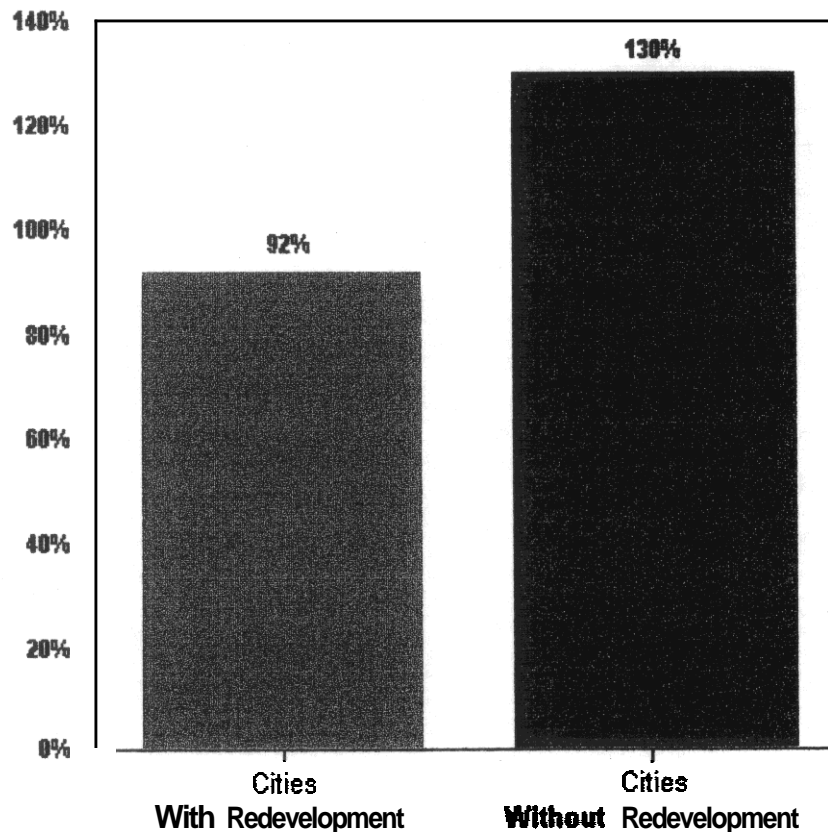
| Status | City | 1979 | 1989 | Growth |
|-------------------|-----------------|---------|---------|--------|
| NO Redevelopment | Etna | \$4,812 | \$9,333 | 94% |
| HAS Redevelopment | Industry | \$4,539 | \$7,853 | 73% |

SOURCE: U.S. Census Bureau, State Controller's Office



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Table V
Per-Capita Income Growth
Redevelopment vs. Non-Redevelopment Cities



This survey reflects the 313 cities with development agencies, and the 101 cities without redevelopment agencies, from 1979-89. Cities incorporated after 1979 are not included.

SOURCE: United States *Census* Bureau, State Controller.



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TABLE VI

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SOURCE U.S. Census Bureau, State Controller's Office

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*Redevelopment: The Unknown Government***Eminent Domain For Private Gain****Chapter 8**

"Nor shall private property be taken for public use without just compensation." Thus the Bill of Rights specifies the only **purpose** for eminent domain: "public **use**".

Since then, government **has** used eminent domain to acquire land for public **use**. **Roads, schools, parks, military bases, and police stations** were essential public facilities that **took** priority **over** individual property rights. Private real estate **transactions**, on the other hand, were always voluntary agreements between individuals.

Redevelopment **has** changed all that.

Under redevelopment, "public **use**" **now** includes **privately owned shopping centers, auto malls and movie theaters**. "Public use" is now anything a favored developer **wants to** do with another individual's **land**. Eminent domain is **used** to effect what **once** were purely private **transactions**.

Its use nearly always favors large developers **at** the expense of small property owners. In a typical redevelopment project, **a** developer is given **an** "exclusive **negotiating agreement**," or the sole right to develop property **still owned** by **others**.

Once such **an** agreement is made, **small property owners** **are** pressured to sell to the redevelopment **agency**, which **acquires** the **land on behalf** of the developer. If refused, **the** agency holds a public **hearing** to determine "public **need and necessity**" to impose eminent domain. By law, **this** must be an impartial hearing. **In** reality, the agency **has** already **committed** itself to acquire the property for the developer, **so** **there** is little doubt of **the** outcome.

Whole **areas** of cities have **been** acquired, demolished and handed over to developers **to** recreate in their **own** image. Historic buildings, local businesses and **unique neighborhoods** **are replaced by** generic developments devoid of the special flavor that once gave communities their identity.

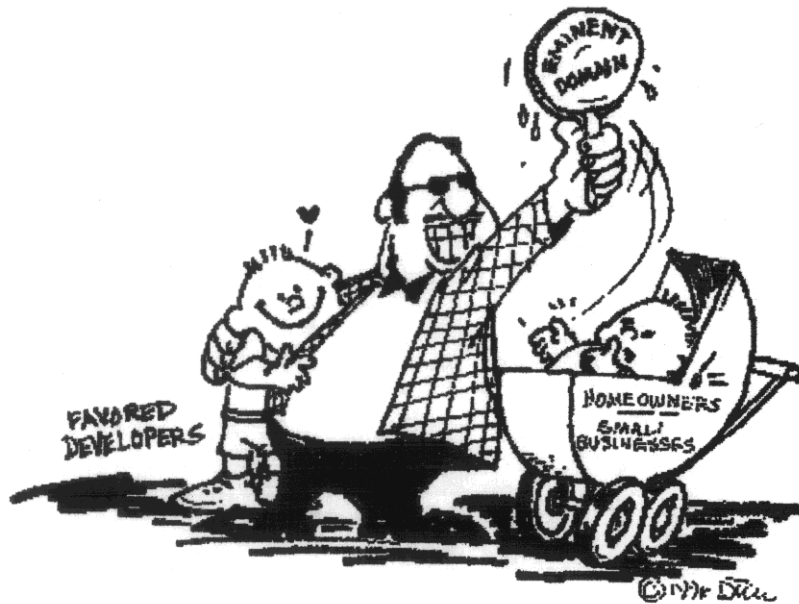
Typical is the experience of Anaheim. **Having** demolished its historic **central** business district in the **mid-1970s**, **the** redevelopment **agency** **recently** hired consultants to **help restore** the identity of a downtown **that** no longer exists. "The complete eradication of the traditional business district **has** left **nothing** for the community to relate to **as** their downtown," **admits** an internal city memo.

Small business owners **are** compensated and relocated, **but** often in distant areas far from their established **customer** base. Cut **off from** the community **that nurtured** them, they often **cannot** survive.

Small property owners have little chance to participate in redevelopment **projects**. Consultants and redevelopment **planners** prefer to work with one huge parcel under a single **ownership**. Entrepreneurs and **homeowners** **just** get in the **way**.

Indeed, one of the definitions of blight is that of "irregularly shaped lots with multiple **ownerships**," to be solved by "consolidating parcels" for an outside developer to **control**. The **variety** of land **owners and** uses that gives cities **their** individuality becomes **an** excuse for expropriation.

Legislative attempts to protect small property owners have all been derailed by pro-redevelopment forces in Sacramento. Eminent domain is defended as a tool of "last resort." Yet eminent domain lies at the heart of the coercion that makes redevelopment possible-and destructive.



"What's mine is mine — and what's yours is mine!"



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*Redevelopment: The Unknown Government***The Redevelopment Establishment****Chapter 9**

Redevelopment is an entrenched special **interest**. It thrives **on** contributions from its beneficiaries **and** from **lack** of awareness of the **general** public. Its advocate is **the** California Redevelopment **Association**, a Sacramento-based lobby that seeks to protect and expand redevelopment power.

The CRA claims to represent the **interests** of cities. It is, in **fact**, a self-perpetuating money machine that **reacts against** any reforms that would **diminish** its power. The **CRA's annual** budget now **tops \$1.6 million**. Its Executive Director draws \$156,200 annually in **total** compensation. Its contract lobbyist will be paid \$122,800 **this** year, **though** the **CRA** is only one of **his** several clients.

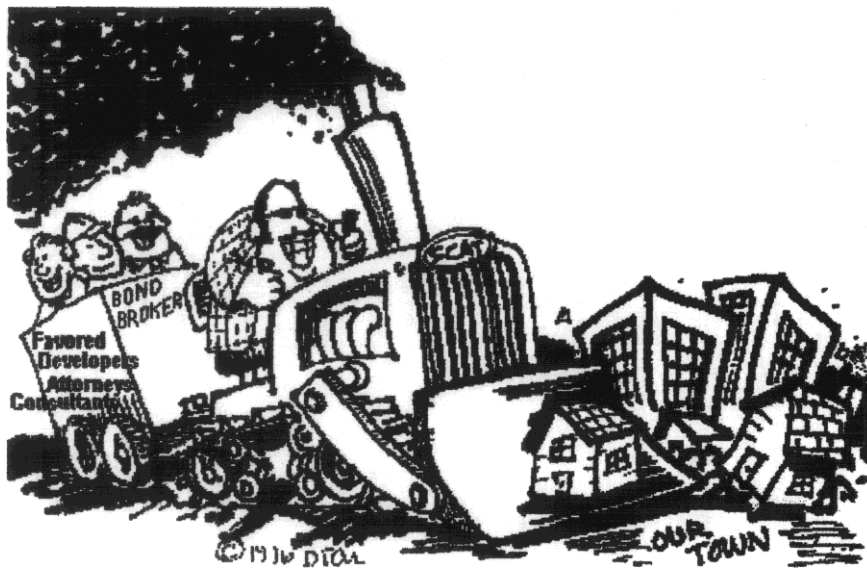
The public **has no** voice in CRA **operations** or policies. The CRA is governed by its seven officers **and** a 12-member board. **All** **are** redevelopment agency **administrators**. **None** **are** elected officials. The CRA is **operated by** redevelopment insiders to serve **their interests**. **Good** public policy is **the** last of **its concerns**.

The real **beneficiaries** of redevelopment **are** not local communities, which **must** bid **against** each other for corporate retailers. **They are** not individual citizens, who have **seen** their property rights eroded as public debts mount.

The **real** beneficiaries **are** those employed **by** redevelopment agencies. Redevelopment **staff** controls agency **agendas** and **recommends** agency actions. **Agency members-usually** elected city **councils-often** rely more on their staff **than** on their own judgement. **Though** simple to understand, redevelopment is **often** presented **as** too complex for ordinary elected officials-and citizens-to comprehend.

The real beneficiaries, too, **are** the consultants, lawyers, bond brokers and developers who create, **finance**, advise, build **and** otherwise make vast **sums** from redevelopment **projects**.

They **are** easy to find. The California Redevelopment **Association's** **1996** Directory lists **as members** 25 **commercial** development companies, 26 bond **brokers**, 37 law **offices** and 101 **separate consulting firms**. Together, **they** form redevelopment's core **constituency** and **its only** profit-center.



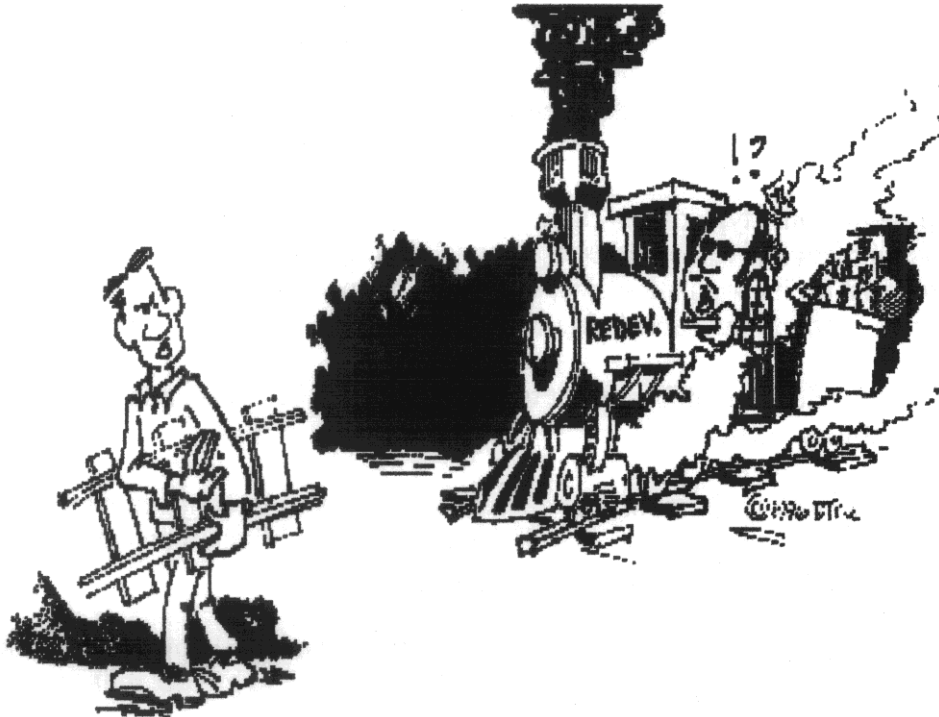
"Follow me, boys -- another town needs saving!"

Among these companies are California's biggest developers, priciest law firms and some of Wall Street's most powerful brokerage houses. They are relied on by public officials for "expertise" which is always geared to expanding redevelopment power. They are the donors to the CRA's political action committee, which supports compliant state and local lawmakers. Thus, the tax increment is recycled into political contributions.

What also allows redevelopment to thrive is the lack of public understanding of what it is and how it operates. By law, redevelopment agencies are an arm of state government, and thus are not subject to the same public oversight as are those of the counties, school districts and cities. This isolation has spawned activities that would never be tolerated by any other government agency.



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*Redevelopment: The Unknown Government***What You Can Do****Chapter 10**

"Your gravy train ends here!"

Clearly, redevelopment is out of control.

Under the **thin guise** of eliminating blight, it consumes a growing share of property taxes, incurs ever burgeoning debt, spawns **sales tax wars** among cities **and** tramples on property rights. Originally created **as** a temporary measure following World **War II**, it **threatens** to become a permanent cancer **on** California's political **and** economic life. Ending redevelopment abuses can be approached on four levels:

LOCAL ACTIVISM If your city has redevelopment, **learn** more about it **and** help **educate** your fellow citizens. Monitor agency agendas, challenge new debt issuances and expansion of project areas. Support local small businesses threatened with eminent domain and facing giant tax-subsidized **competitors**.



If your city has no redevelopment, use the examples of abuse to keep it **out** of your city. Wherever you live, support officeholders and candidates who **understand** redevelopment and can make their own judgements independent of **those** who profit **by** it.

LEGAL CHALLENGE. **County** and school officials must be more aggressive in appealing redevelopment **tax** diversions. Grand Juries must broaden **their** probes into redevelopment. As **the** California **State** Supreme **Court** becomes more protective of property rights, eminent domain abuses

can be more successfully challenged. A growing number of public interest lawyers **are** willing to defend small property **owners** against redevelopment agencies.

STATE LEGISLATION Redevelopment is a layer of government created **by** the state, and **has** no powers other **than** those granted **by** the state. Led by Senator Quentin Kopp (I-San Francisco), **numerous** redevelopment reform bills have been introduced into the legislature. The following reforms must continue to be **addressed**:

Eminent Domain: Controls must be placed **on** the widespread abuse of eminent domain.

Sales Tax Disbursement: Some type of per-capita sales tax disbursement would end predatory redevelopment **and** return cities to an equal footing. Assured of a stable revenue flow based on its population size, cities could concentrate **on** providing basic services, rather than subsidizing new businesses.

Debt Control: Make redevelopment debt subject to voter approval. **This** would limit debt issuance and make agencies more publicly accountable.

Mandatory Sunsets: The 40-year sunset law must be given **teeth** and enforced. If redevelopment agencies truly have **eliminated** blight, then there should be no further **need** for them.

Comprehensive Fiscal Reform.. A rational and stable method of **funding** local government **must** be found, shifting cities back to greater reliance **on** property taxes and less **on** sales taxes.

Unfortunately **too** many legislators and their **staffs** still do not fully understand redevelopment and see little political gain in challenging it. Its opponents **are** many, but **still** scattered and unorganized, while its beneficiaries **are** vocal **and** well-funded.

A **flurry** of redevelopment bills were introduced into the California State Legislature during the 1997-8 session, **including** three **important** curbs on redevelopment **abuse**:

AB 939, authored by Assemblyman Tom McClintock (R-Northridge), **This** would place mandatory **sunsets** on agency operations. Redevelopment agencies would be allowed to finish all existing projects, but not commence new ones not already started. Upon completing existing projects, agencies would stay active only to pay off all existing debt, then shut down. All property taxes diverted would then be restored to the cities, counties and school districts. Hundreds of supporting letters from citizen activists poured in, but the CRA orchestrated strong opposition from redevelopment agencies and developers. The bill died in the Assembly Local Government Committee, but only after a lively hearing that observers noted was one of **the** longest and frankest exchanges on redevelopment abuses the Capitol had ever witnessed.



AB 1677, also by McClintock, this bill would **require voter** approval of **all** new redevelopment **bonds**. This would close the legal loophole which exempts agency debt from voter approval, which does apply to city, school and state **bonds**. Opposition to this bill came from the CRA, the **League of California Cities** and **from** major bond brokerage firms that stood to lose huge **commissions** from bond **sales**. The bill also died in the Assembly Local Government Committee.

AB 1835, authored by Assemblyman Tom Torlakson (D-Martinez), this bill would ban **using** public **money** to lure **an** existing business to move from one city to another. The bill struck at the heart of **sales tax** piracy, intending to end the corporate extortion that pits one city against another for major retailers. Under CRA **pressure**, the bill **was watered** down and contained a number of loopholes, but **was** still **strongly** supported by **MORR** as an important first **step**. **AB 1835** passed the Assembly, **48-23**, but failed narrowly in **the** Senate Local Government Committee. Opposition **was** intense **from** lobbyists representing developers and **retailers** who **stood** to lose millions in public subsidies.

Many legislators **still** need to be educated about redevelopment by **their constituents** through **letters**, phone calls, faxes and testimony before key committees. As new term limits take effect, legislators **will** hopefully focus more on doing the right thing, and long-term relationships with lobbyists will be less important.



Equally important will be the impact of education advocates, once they **realize** how redevelopment revenues **can** be redirected into California's public **schools**. **The combined** political clout of the California Teachers Association and the California School **Boards** Association dwarfs that of the redevelopment establishment.

STATEWIDE INITIATIVE: A ballot measure requiring voter approval of redevelopment debt looks **likely by the June, 2000, primary**. Proposed by the Paul Gann's Citizen Committee, it would require the **same** voter approval for redevelopment bonds that **exists** for school bonds.

The ultimate goal of **any** initiative **must** be to **disband** the redevelopment agencies and return the **property taxes** to schools, counties and cities.

Opposition to redevelopment is **growing** and cuts across **partisan** lines. It **includes** **pro-property rights** Republicans and anti-corporate **welfare** Democrats. It **includes** conservatives opposed to **growing** public debt, and **liberals** opposed to the destruction of poor neighborhoods. It includes free market libertarians and civil rights activists fighting the displacement of minority communities. It includes environmentalists concerned about **suburban** sprawl and preservationists lamenting the demolishing of historic downtowns.



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Reclaiming Redevelopment Revenue

Chapter 11

Public money should be spent to serve and protect the public, not enrich private interests. The \$1.5 billion in property taxes currently diverted by redevelopment agencies can be reclaimed to meet real human needs. And there is no greater need than that of **our** school children.

State government **has** full powers over all 359 redevelopment agencies in California. Though administered locally, these agencies **are** legally and collectively an arm of state government, and **can** be reformed directly by the legislature or statewide initiative.



Building shopping malls, auto dealership and **pro sports stadiums** is a proper function of the free market. If there is a market for them, they will all be built, with or without government subsidy. Public education and public safety, however, **are** a **state** responsibility.

We, the voters of California, have the **power** to redirect redevelopment funds back into **serving** the public, either through **our** legislative or ballot initiative. We should do **so**. Redevelopment debt could be paid **off by** liquidating agency assets, thus **freeing** up the property taxes to improve local schools and services.

RETIRE DEBT While long-term indebtedness exceeds \$41 billion the actual principal on outstanding tax allocation bonds is only \$8.5 billion, and could be paid **off** completely **by** liquidating existing agency **assets** (including cash, investments and real estate). Thus, the debt could be retired now, avoiding

exorbitant ~~future~~ interest payment.

PROPERTY TAX RESTORATION: With all redevelopment obligations met, the property ~~taxes~~ (\$1.5 billion annually) could ~~be~~ returned to public ~~education~~ and local government. ~~Currently~~ Public Schools receive 57 percent of all property taxes statewide, Counties receive 21 percent, Cities receive 12 percent and Special Districts receive **10 percent** (~~before~~ redevelopment takes its ~~share~~). Without redevelopment, the restored ~~tax~~ revenues would then be shared accordingly:

TABLE VII
Annual Revenue Gains by Public Entity
With Restored Property Taxes

| | |
|-------------------------------|----------------------------|
| K-12 Public Schools: | 57% = \$855 million |
| Counties: | 21% = \$315 million |
| Cities: | 12% = \$180 million |
| Special Districts: | 10% = \$150 million |
| <hr/> | |
| \$1.5 Billion | |

Divided among our **5.6** million public school kids, this **\$855** million boost would ~~lift~~ **per-student spending by \$153 per year**. ~~California's annual per-pupil spending~~ would jump from \$5,284 to \$5,437; from 32nd to 28th nationally pushing us past Kentucky, Montana, Illinois and Florida. Funding would flow to buy **new** textbooks, **hire** more teachers **and** expand ~~after~~ school programs.

With ~~an added~~ **\$495 million**, cities **and** counties could hire 7,000 more police **and** sheriff's **officers**, buy 20 million ~~more~~ library books, improve paramedic ~~service~~ or **expand youth** programs. Special ~~districts~~ could upgrade ~~our~~ **aging** water and sewer **systems**.

This restoration of revenues ~~for~~ local needs could be done **on a per-capital basis**, so as not **to** lock in current county-by-county disparities in properly **tax allocation**. Added, too would be additional property taxes ~~from~~ long-held agency **properties** now sold **and returned** to the tax rolls.

The original rationale of redevelopment was to eliminate blight. It was a **temporary fix for a temporary problem**. Redevelopment agencies ~~were never supposed to~~ hoard ~~an~~ ever-growing slice of property taxes indefinitely. ~~Let~~ them **share** it now.

More importantly, how better will blight really be eliminated? **By** building more commercial development? By encouraging **California** consumers **to** buy ever more merchandise? **Or by** better **educating our** children? What good **are** new NFL stadiums in **San** Francisco, Los Angeles or **San** Diego, if ~~our~~ kids can't read, write, add or subtract?

There is **growing** bi-partisan consensus **for reform** in how local government is funded in California. A **more** rational apportionment of sales **and** property taxes would end current inter-governmental

competition, and stabilize the current creaky system. It would compel commercial development to pay its own way thus reducing fees on new housing. Reclaiming property taxes long diverted to redevelopment is an essential part of this reform.

When redevelopment is fully understood, change will come quickly. When it is no longer *The Unknown Government*, policies promoting fiscal responsibility and free enterprise and fair play for all Californians will finally be restored.

Table VIII

Current Per-Student Expenditures (1996-97)

| | | |
|-----|---------------|---------|
| 1. | New Jersey | \$9,455 |
| 2. | Alaska | 8,900 |
| 3. | New York | 8,658 |
| 4. | Connecticut | 8,376 |
| 5. | Rhode Island | 7,665 |
| 6. | Delaware | 7,086 |
| 7. | Massachusetts | 7,069 |
| 8. | Pennsylvania | 6,967 |
| 9. | Michigan | 6,954 |
| 10. | Maryland | 6,547 |
| 11. | Wisconsin | 6,521 |
| 12. | Vermont | 6,503 |
| 13. | West Virginia | 6,406 |
| 14. | Maine | 6,385 |
| 15. | Minnesota | 6,041 |
| 16. | Wyoming | 6,036 |
| 17. | New Hampshire | 6,014 |
| 18. | Oregon | 5,988 |
| 19. | V i a | 5,920 |
| 20. | Indiana | 5,886 |
| 21. | Washington | 5,805 |
| 22. | Hawaii | 5,720 |
| 23. | Iowa | 5,720 |
| 24. | Georgia | 5,585 |
| 25. | Texas | 5,551 |
| 26. | Ohio | 5,527 |

| | | |
|-----|-------------------|--------------|
| 27. | Kansas | 5,493 |
| 28. | Florida | 5,427 |
| 29. | Illinois | 5,423 |
| 30. | Montana | 5,380 |
| 31. | Kentucky | 5,346 |
| 32. | California | 5,284 |
| 33. | Alabama | 5,255 |
| 34. | Nebraska | 5,250 |
| 35. | Colorado | 5,147 |
| 36. | South Carolina | 5,105 |
| 37. | North Carolina | 5,028 |
| 38. | Nevada | 4,998 |
| 39. | Missouri | 4,949 |
| 40. | New Mexico | 4,927 |
| 41. | Tennessee | 4,898 |
| 42. | South Dakota | 4,860 |
| 43. | North Dakota | 4,867 |
| 44. | Louisiana | 4,527 |
| 45. | Idaho | 4,500 |
| 46. | Mississippi | 4,269 |
| 47. | Oklahoma | 4,187 |
| 48. | Arkansas | 4,172 |
| 49. | Arizona | 4,048 |
| 50. | Utah | 3,837 |

SOURCE: California Teachers'
Association

Table IX

**Per-Student Expenditures
with Restored Property Taxes**

| | | |
|----|----------------------|---------|
| 1. | New Jersey | \$9,455 |
| 2. | Alaska | 8,900 |
| 3. | New York | 8,658 |
| 4. | Connecticut | 8,376 |
| 5. | Rhode Island | 7,665 |
| 6. | Delaware | 7,086 |
| 7. | Massachusetts | 7,069 |
| 8. | Pennsylvania | 6,967 |

| | | |
|-----|----------------|-------|
| 9. | Michigan | 6,954 |
| 10. | Maryland | 6,547 |
| 11. | Wisconsin | 6,521 |
| 12. | Vermont | 6,503 |
| 13. | West Virginia | 6,406 |
| 14. | Maine | 6,385 |
| 15. | Minnesota | 6,041 |
| 16. | Wyoming | 6,036 |
| 17. | New Hampshire | 6,014 |
| 18. | Oregon | 5,988 |
| 19. | Virginia | 5,920 |
| 20. | Indiana | 5,886 |
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| 28. | California | 5,284 |
| 29. | Florida | 5,427 |
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| 36. | South Carolina | 5,105 |
| 37. | North Carolina | 5,028 |
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SOURCE California Teachers'
Association



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TABLE VII**Annual Revenue Gains by Public Entity
With Restored Property Taxes**

| | |
|----------------------|----------------------------|
| K-12 Public Schools: | 57% = \$855 million |
| Counties: | 21% = \$315 million |
| Cities: | 12% = \$180 million |
| Special Districts: | <u>10% = \$150 million</u> |

\$1.5 Billion



The Table Of Contents, return to Unknown Government Home Page or
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Table VIII

Current Per-Student Expenditures (1996-97)

| | | |
|-----|---------------|---------|
| 1. | New Jersey | \$9,455 |
| 2. | Alaska | 8,900 |
| 3. | New York | 8,658 |
| 4. | Connecticut | 8,376 |
| 5. | Rhode Island | 7,665 |
| 6. | Delaware | 7,086 |
| 7. | Massachusetts | 7,069 |
| 8. | Pennsylvania | 6,967 |
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| 14. | Maine | 6,385 |
| 15. | Minnesota | 6,041 |
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| 17. | New Hampshire | 6,014 |
| 18. | Oregon | 5,988 |
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| 23. | Iowa | 5,720 |
| 24. | Georgia | 5,585 |
| 25. | Texas | 5,551 |
| 26. | Ohio | 5,527 |
| 27. | Kansas | 5,493 |
| 28. | Florida | 5,427 |
| 29. | Illinois | 5,423 |
| 30. | Montana | 5,380 |
| 31. | Kentucky | 5,346 |
| 32. | California | 5,284 |
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| 34. | Nebraska | 5,250 |

| | |
|--------------------|-------|
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| 46. Mississippi | 4,269 |
| 47. Oklahoma | 4,187 |
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SOURCE California Teacher's
Association



The Table Of Contents, return to Unknown Government Home Page or
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Table IX

Per-Student Expenditures with Restored Property Taxes

| | | |
|-----|-------------------|--------------|
| 1. | New Jersey | \$9,455 |
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| 6. | Delaware | 7,086 |
| 7. | Massachusetts | 7,069 |
| 8. | Pennsylvania | 6,967 |
| 9. | Michigan | 6,954 |
| 10. | Maryland | 6,547 |
| 11. | Wisconsin | 6,521 |
| 12. | Vermont | 6,503 |
| 13. | West Virginia | 6,406 |
| 14. | Maine | 6,385 |
| 15. | Minnesota | 6,041 |
| 16. | Wyoming | 6,036 |
| 17. | New Hampshire | 6,014 |
| 18. | Oregon | 5,988 |
| 19. | Virginia | 5,920 |
| 20. | Indiana | 5,886 |
| 21. | Washington | 5,805 |
| 22. | Hawaii | 5,720 |
| 23. | Iowa | 5,720 |
| 24. | Georgia | 5,585 |
| 25. | Texas | 5,551 |
| 26. | Ohio | 5,527 |
| 27. | Kansas | 5,493 |
| 28. | California | 5,284 |
| 29. | Florida | 5,427 |
| 30. | Illinois | 5,423 |
| 31. | Montana | 5,380 |
| 32. | Kentucky | 5,346 |
| 33. | Alabama | 5,255 |
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| | | |
|-----|-----------------------|-------|
| 35. | Colorado | 5,147 |
| 36. | South Carolina | 5,105 |
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| 38. | Nevada | 4,998 |
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SOURCE California ~~Teacher's~~
Association



**The Table Of Contents, return to Unknown Government Home Page or
Redevelopment Home Page,**

Redevelopment: A tool to build a better Lodi

The City of Lodi has many needs, from more affordable housing to fixing aging buildings and stimulating business on Cherokee Lane. The City constantly examines the range of services it provides and how to pay for and improve them. Like every other California city, Lodi has a tool available to reach some of those unmet needs, but unlike most other cities, it's unused at the moment. That tool is redevelopment, which allows cities to keep a greater share of property taxes paid when values climb.

State redevelopment law allows the city to use tax generated from higher property values to pay for repairs and improvements that would otherwise require higher fees on ratepayers or drain funds from other city services. With a redevelopment plan, Lodi would keep five times as much property tax generated by higher values than without, freeing up more money for services such as police protection and park maintenance. Redevelopment does not raise taxes, it merely changes the way a portion of the tax revenue is distributed.

Four of the county's six other cities have active redevelopment agencies, ranging from the largest, Stockton, to one of the smallest, Ripon (population 14,575).

At 6 p.m. Thursday, July 19, the Lodi City Council will have a special meeting at the Lodi Boys & Girls Club, 275 E. Poplar St., to discuss the possibility of creating a redevelopment project in Lodi. In the meantime, the following may help answer some questions you may have about the process:

Question: What's in it for me?

Answer: If you own property within a redevelopment area, redevelopment funds could go toward street and sidewalk upgrades, underground pipe repairs, and assistance programs to improve your home, building or surrounding properties. State law requires redevelopment agencies spend at least 20 percent of their funds on affordable housing. The list of eligible programs hasn't been established yet, so your participation is valuable as the community considers how redevelopment may benefit Lodi.

Question: Where is the redevelopment area?

Answer: If the City Council decides to pursue a redevelopment project, that



Introduction to Tax Increment and Redevelopment



July 19,2007

Introduction to Tax Increment and Redevelopment

Introduction

Lodi needs more safe affordable housing for senior citizens. The City should help low-income homeowners pay for water meters. Motel business along Cherokee Lane is declining; the City should do something. Alleys are deteriorating. Lodi needs a new library. Lodi needs a new animal shelter. The Grape Bowl is a regional asset that if used correctly could spur economic development. The east side of Lodi needs a new community center and more parks. Why can't the Blakely Park Pool look nicer? Lodi should preserve older historic buildings. The storm and wastewater collection system is aging, obsolete and inadequate; why isn't the City doing anything? Overhead power lines should be buried underground. Lodi needs to improve its tax base and create more jobs.

These are just a sample of comments from Lodi residents about what they want and need from the City. The City constantly examines the range of services it provides and analyzes how to pay for and improve these services. With one major exception, Lodi fully utilizes the many forms of taxes and fees it receives. Lodi works closely to obtain funding from the State and Federal governments and the private sector to offer the range of services a "full-service city" provides.

The one major source of revenue that Lodi does not currently use is tax increment, which state law makes available to cities as outlined in the Health and Safety Code. Approximately 80 percent of all cities in California use tax increment revenue to meet the local needs of their residents and businesses. For every program, facility and service desired in the list above, tax increment is a tool that could be used to meet the need. It is a revenue source that does not raise taxes.

Tax increment is a component of the California Redevelopment Law. Over the next several months, the City Council will examine how tax increment can help Lodi. This may result in action to form a Redevelopment Project Area in Lodi. This paper is intended to provide a brief overview of tax increment and redevelopment and assist the Council and community members in further understanding this powerful locally-driven economic tool.

What is tax increment?

Tax increment is the amount of property tax revenues attributed to the incremental increases in tax value that are generated from development activity or transfers of property above a base amount within a designated redevelopment area called a project area.¹ It does not change the amount of taxes a property owner is required to pay. It does change how the extra property tax generated, “the increment,” is distributed. Lodi typically receives approximately **16 to 17** cents from every dollar of property tax paid. With tax increment, Lodi would be able to receive up to 75 cents from every dollar of new property tax generated above the base assessment; money that would otherwise go to the State of California or agencies that are the responsibility of the State of California.

Under the state’s tax increment rules, Lodi retains tax increment funds it must spend according to a plan, referred to as a Redevelopment Plan. The Redevelopment Plan can allow for expenditures for programs ranging from major rehabilitation of water, wastewater, and storm drain infrastructure to building a new library. There is only one absolute requirement with regard to the expenditure of tax increment funds: **20** percent of tax increment revenue must be spent on affordable housing.

Tax increment is only generated within a designated Redevelopment Area. This is a distinct geographic area. Although there are some exceptions, tax increment funds are spent within the Redevelopment Area. A defined and specific process must be followed in order to establish a Redevelopment Area. Certain conditions must exist and findings must be made. The area must be predominantly urbanized, and certain adverse physical and economic conditions must also be identified and exist to the point that they are a significant burden to the community.

Again, it is important to note that tax increment does not raise taxes. Tax increment is not **an** assessment or lien on property. Property taxes within the Redevelopment Area are governed by the same laws that limit property tax increases outside of the Area.

Other entities that are the financial responsibility of the State of California -- such as the county and school districts and other local special districts -- continue to

¹For example, tax on a property assessed at \$500,000 is \$5,000, with the City’s share (17 percent) amounting to \$850. Within a redevelopment project area, if the property is upgraded and sold for \$750,000, the new annual tax would be \$7,500. The city would receive 80 percent of the \$2,500 increase (\$2,000), plus the original \$850, amounting to \$2,850. Outside a redevelopment project, the city’s share would be \$1,275.

receive all the tax revenues they were receiving before the tax increment was generated. Tax increment financing does not reduce revenue allocated to school districts. In fact, school districts and community college districts receive a portion of the redevelopment tax increments.’ Existing State school funding formulas negate any gain or loss in property tax revenue, guaranteeing the state maintains a school’s funding level, no matter what happens to the area’s property taxes. Additionally, a large portion of the money the Agency shares with the School District will go to new facilities. This money would not be available otherwise.

In a nutshell, tax increment, through the adoption of a Redevelopment area, is an economic tool that could assist Lodi in addressing financial needs currently beyond the City’s ability. It is a unique partnership that encourages economic stimulation so that growth in the tax base can provide funding for local improvements, create jobs, and improve health, safety, and quality of life in Lodi.

The History of tax increment and redevelopment in Lodi

A Redevelopment Agency must be formed to create a Redevelopment Project and collect tax increment.

According to California Health and Safety Codes: a Redevelopment Agency exists in every city and county in the State, but lies dormant until activated by ordinance.

Early in 2000, the City Council authorized the formation of a Lodi Redevelopment Agency and began the steps to form a Redevelopment Project area.

At that time, the City Council recommended establishing a project area in the oldest commercial and industrial areas of Lodi. Approximately 1,184 acres were identified as meeting the requirements that would allow the City to collect incremental taxes in exchange for stimulating growth and development in the area. In the spring of 2002, the City Council abandoned its plans to form a Project Area in response to citizen concerns and an initiative drive to put the project’s future on the ballot.

It is interesting to note that, according to calculations prepared for the formation of the project area at that time, if the project would have been formed and if the

² For redevelopment projects that were adopted before AB 1290, or January 1, 1994, the Agency negotiated separate agreements with each taxing entity. For those projects adopted on or after January 1, 1994, the total amount distributed to each entity is the same

³ Section 33100 of Health and Safety Code

development occurred in the fashion envisioned, the City would now have over \$400,000 in new revenue for this current fiscal year 2006-07. For comparison's sake, this would be like the city's share from \$40 million of new taxable sales.

One of the concerns expressed with redevelopment and tax increment in 2002 was a fear of eminent domain, the power to force someone to sell his property against his will. In order to address this concern on the part of members of the public and City Council, in 2006, the City Council adopted Ordinances 1775 and 1776 that eliminated the ability of the Lodi Redevelopment Agency to engage in the use of eminent domain for private use. It is expected that the City Council, if a project is adopted, will enact further restrictions and eliminate eminent domain by the Redevelopment Agency.

The Lodi Redevelopment Agency is still activated, but there is no project area and no change in the way property tax is distributed. The City Council will soon consider again exploring an area for a redevelopment project.

How and when will this occur?

It is anticipated that if the Council wishes to explore a Redevelopment Project Area, the public will have ample opportunity to voice opinions on what projects or activities should be funded with **tax** increment, how it could improve the community, and the project area boundaries. State law requires an environmental impact report on the project area and that several hearings by the Planning Commission and City Council be held prior to the area's adoption.

Currently, no boundary has been proposed for the Project Area. It is anticipated that an initial feasibility study will be conducted that will help select the boundaries of an area and prioritize activities before fully committing to the time and expense of adopting a Project.

It is anticipated that the entire process, if approved by the Agency, will take from 12 to 24 months.

Attached is "Exhibit A". It is a generalized preliminary schedule and listing of major work products required for plan adoption. It provides a detailed breakdown of the tasks required to form a project area.

What are the safeguards?

Because tax increment is a powerful tool, safeguards have been developed to ensure that activities are appropriate before receipt of **tax** increment funds. A report must be presented to the legislative body each year and an annual audit is required. An annual report must be submitted to the California Department of Housing and Community Development and other state agencies.

Redevelopment agencies must show that they have a financial obligation (debt) prior to the receipt of **tax** increment. This information is collected and transmitted to their counties in a document and is known as the Redevelopment Agency's "Statement of Indebtedness" or SOI. Without an SOI, the State would have no way to prevent any local agencies from collecting the increment and pocketing the money.

An Agency can incur an obligation in a number of different ways: it can borrow money from investors; it can borrow money from the City or engage in an agreement with the City; and/or it can incur obligations with private development interests. Debts of the Agency are not debts of the City.

Questions and Answers

Question: *Who oversees the expenditure of tax increment and redevelopment?*

Answer: The members of the elected City Council serving in the capacity as the governing board of the Redevelopment Agency. The community has full local control of additional revenues raised locally.

Question: *Will being in a Redevelopment Area depress my property values?*

Answer: There is no evidence that property values will be depressed. **In** fact, one might expect the opposite. With the possibility of greater revenue available for the area in certain circumstances, one might expect that property resale value could increase. Consider: if **tax** increment is used to improve water, sewer, or storm drains, does that seem likely to lower or increase property values? Would a new library help or hinder property values? The 1998 Dardia Report asserts that assessed valuation in Project Areas go up about twice the rate as similar uses outside the project area.

Question: *Does shifting property tax in the way tax increment works hurt schools?*

Answer: No. While school finance is complicated and can be confusing, the essentials are that the state provides funding based on average daily attendance. Additionally, the Agency shares a part of its tax increment with school districts which is “new” money to the schools and goes to school facilities.

Question: *How can I be sure that the City is not after ~~my~~ property?*

Answer: The City Council adopted ordinance 1775 and 1776 based upon local concerns to limit eminent domain. The City Council has not budged on the policies and provisions to protect property rights. Will adoption of a redevelopment plan change this policy direction? No. In fact, if a redevelopment plan is adopted that follows ordinances 1775 and 1776, it will be very difficult and costly to change from this existing policy direction. **Also**, new state law that became effective Jan. 1, 2007 requires redevelopment agencies to state their intentions regarding the use of eminent domain. The Redevelopment Agency will not use eminent domain to acquire property.

Question: *What about the small business?*

Answer: **A** small business can benefit from improved infrastructure. The Redevelopment Agency can absorb costs of building new parking lots, sidewalks and signs. The Agency can adopt programs specifically targeted to assist small businesses. The Redevelopment Agency has a specific obligation to give a preference to existing businesses and residents in development opportunities.

Question: *Will I have extra property maintenance obligations?*

Answer: No. Most redevelopment plans do not add to property maintenance requirements.

Question: *Is this more government regulation?*

Answer: No. The redevelopment plan will not change zoning or development standards – these will be, as they are now, covered by City

ordinances. Redevelopment would provide funding and tools to assist with the funding of public improvements; tools to work voluntarily with property owners.

Question: *Doesn't the Redevelopment Agency just siphon money off the City that could have gone to the police and fire departments?*

Answer: No. The community will receive a greater amount of revenue with redevelopment than without redevelopment. By having the Agency bear the cost of public improvements, more of the City's General Fund can be made available for police, fire, and other services. Currently, the City is paying approximately \$1.7 million in debt service for public improvements that could have been financed via tax increment. If tax increment money would have been available, these financial resources would be supporting additional on-going services.

Question: *Will the City's General Fund backstop the Redevelopment Agency if it goes broke?*

Answer: No. The obligations of the Agency are not the obligations of the City. Debt issued by the Redevelopment Agency is evaluated on its own credit merits. The Agency must be able to prove its ability to pay its own debts. Investors in redevelopment agency debt understand and agree that the Agency must pay its own way and do not expect the City to provide relief.

Question: *How can redevelopment help provide affordable or senior housing?*

Answer: State law requires redevelopment agencies to spend at least 20 percent of the tax increment on affordable housing for seniors, the disabled and low- to moderate-income families. A redevelopment agency in Lodi could use that money to provide housing, subsidize rents, pay for repairs and help eligible residents become homeowners.

Question: *Doesn't the Redevelopment Agency take all the increases in property taxes from the County?*

Answer: No. State Law, (Health and Safety Code Section 33607.6) requires a percent of the growth in property tax within the Redevelopment Area be passed through to other taxing entities. The pass through amount is increased in three stages. The pass through begins at 25 percent of the total tax increment after the required amount for housing purposes is accounted for. On average, the taxing entities receive about 35 percent of the tax increment in a Project Area.

It is interesting to note that on April 17, 2007, during a discussion of the Grape Bowl, Board of Supervisors Chairman Victor Mow said, "They (Lodi) have an opportunity of a redevelopment project. They have not done so. This is a classic case of where redevelopment money might be the answer to do those things."

Question: Does the Redevelopment Project end or sunset?

Answer: Yes. The Agency cannot collect Tax Increment from the project for any longer than 45 years. It loses its authority to act after 30 years. Between 30 and 45 years the agency can collect debt only to fund housing programs and make payments under its obligations.

Re-desarrollo: Una herramienta para construir una mejor Lodi

La ciudad de Lodi tiene muchas necesidades, desde viviendas más costeables hasta la reparación de edificios viejos y el estímulo de negocios en Cherokee Lane. La ciudad constantemente estudia la gama de servicios que proporciona y la forma de pagarlos y mejorarlos. Al igual que cualquier otra ciudad de California, Lodi cuenta con una herramienta para cubrir algunas de esas necesidades, pero que a diferencia de la mayoría de las ciudades, en este momento no se usa. Dicha herramienta es el re-desarrollo, que permite a las ciudades conservar una mayor participación de los impuestos de propiedades cuando aumenta el valor.

La ley estatal de redesarrollo permite a la ciudad usar los impuestos generados de valores de propiedades más altos para pagar reparaciones y mejoras que de otro modo requerirían cuotas más altas de los contribuyentes o fondos para desagüe de otros servicios de la ciudad. Con el plan de redesarrollo, Lodi conservaría cinco veces más del impuesto de propiedades generado por valores más altos que sin ellos, liberando más capital para servicios como la protección policial y el mantenimiento a parques. Con el redesarrollo no aumentan los impuestos, simplemente cambia la proporción en que se distribuyen los ingresos tributarios.

Cuatro de las seis ciudades del condado tienen oficinas activas de re-desarrollo que van desde la más grande en Stockton hasta una de las más pequeñas en Ripon (14,575 habitantes).

El Jueves 19 de Julio a las 6 p.m., el Ayuntamiento de Lodi llevará a cabo una junta especial en el Boys & Girls Club, 275 E. Poplar St., para estudiar la posibilidad de crear un proyecto en Lodi. Mientras tanto, las siguientes respuestas pueden ayudarle si tiene dudas respecto al proceso:

Pregunta: ¿Qué gano con el re-desarrollo?

Respuesta: Si tiene una propiedad en un área de re-desarrollo, los fondos para el re-desarrollo irán a la modernización de calles y banquetas, reparaciones de tuberías subterráneas y programas de asistencia para mejorar su casa, edificio o propiedades circundantes. La ley estatal requiere que las oficinas de re-desarrollo gaste por lo menos 20 por ciento de los fondos en vivienda costeable. Todavía no se establece la lista de programas a elegir, por lo que su participación es valiosa ya que la comunidad toma en consideración la forma en que el re-desarrollo puede beneficiar a Lodi.



Re-desarrollo: Una herramienta para construir una mejor Lodi (cont.)

Pregunta: ¿Cuál es la zona de re-desarrollo?

Respuesta: Si el Ayuntamiento de la ciudad decide buscar un proyecto de re-desarrollo, será algo que se decida con la ayuda del público. Una propuesta de 2002, en la que se identificó la mayor parte del este de Lodi en la zona del proyecto propuesto, podría ser un punto de partida de la discusión. De hecho, la recaudación fiscal sobre ventas, indicador de fuerza económica, ha disminuido en años recientes en esa zona geográfica.

Pregunta: ¿No es algo más del gobierno?

Respuesta: Es una oficina independiente, aunque son los miembros del Ayuntamiento de la ciudad de Lodi que toman las decisiones, por ejemplo, en como se gasta el dinero, someten su opinión ante el público durante una junta abierta.

Pregunta: ¿La oficina de re-desarrollo podría quedarse con mi casa a oombre de uu desarrollador particular?

Respuesta: En Lodi, no. La ciudad tiene un decreto de ley que le prohíbe usar poderes de dominio eminentes para incautar una propiedad para beneficio de un particular. Si se adopta un proyecto de re-desarrollo, se establecerá aplicando esa prohibición, que un futuro Ayuntamiento no podrá revertir sin un proceso largo ni participación del pblico.

Pregunta: ¿La ciudad no estaba preparada para el proyecto en 2002?

Respuesta: Casi. Se dio inicio al proceso y luego se detuvo porque un grupo ciudadano obligó que se sometiera a votación. El Ayuntamiento de la ciudad de Lodi decidió que no era el momento adecuado y dejaron el tema. Pero, de haber continuado con el proyecto, la oficina de re-desarrollo de Lodi (*Lodi Redevelopment Agency*) recibiría aproximadamente \$500,000 al año por proyectos locales.

Pregunta: ¿Qué tan pronto puedo esperar ver cambios en mi vecindario?

Respuesta: No será de la noche a la mañana. La ciudad recibe más dólares sólo cuando aumentan el valor de la propiedad. Pero con el tiempo, conforme se invierten más fondos, se compensará el efecto del beneficio.

Para ~~mas~~ información, comuníquese a la oficina del administrador de la ciudad al 333-6700.



Introducción al redesarrollo e incremento de impuestos



10 de Julio de 2007

Introducción al redesarrollo e incremento de impuestos

Introducción

Lodi necesita viviendas más costeables y seguras para los ciudadanos mayores. La ciudad debería ayudar a los propietarios de bajos ingresos a pagar por los medidores de agua. El negocio de los hoteles en Cherokee Lane esta disminuyendo; la ciudad debería hacer algo. Los callejones se están deteriorando. Lodi necesita una nueva biblioteca. Lodi necesita un nuevo refugio para animales. Grape Bowl es un recurso regional que podría estimular el desarrollo económico si se lo utiliza de manera adecuada. El lado este de Lodi necesita un nuevo centro comunitario y más parques. ¿Por qué no puede verse mejor la piscina del parque Blakely? Lodi debería preservar los edificios históricos mas antiguos. El sistema de recolección de residuos hidricos y drenajes es viejo, obsoleto e inadecuado; ¿por qué no hace nada la ciudad? Las líneas de energia aheas deberían estax bajo tierra. Lodi debe mejorar su base de impuestos y crear más empleos.

Estos son solo algunos ejemplos de los comentarios de los habitantes de Lodi sobre lo que quieren y necesitan de la ciudad. La ciudad evalúa constantemente la gama de servicios que brinda y analiza cómo pagar y mejorar estos servicios. Con una importante excepción, Lodi utiliza al máximo las diversas formas de impuestos y cargos que recibe. Lodi trabaja estrechamente para obtener financiación de los gobiernos estatales y federales y el-sector privado; a fin de ofrecer la gama de servicios que brinda una “ciudad de servicios completos”.

La mayor fuente importante de ingresos que Lodi no utiliza actualmente es el incremento de impuestos, que la ley estatal pone a disposición de las ciudades como se establece en el Código de Salud y Seguridad. Aproximadamente 80% de las ciudades de California usan los ingresos del incremento de impuestos para satisfacer las necesidades locales de sus residentes y negocios. El incremento de impuestos es una herramienta que podría utilizarse para satisfacer cada programa, instalación y servicios deseados de la lista anterior. Es una fuente de ingresos que no aumenta los impuestos.

El incremento de impuestos es un componente de la Ley de Redesarrollo de California. En los próximos meses, el ayuntamiento de la ciudad evaluara la forma en que el incremento de impuestos puede ayudar a Lodi. Esto puede conllevar

medidas para formar un área de proyecto de redesarrollo en Lodi. Este documento tiene el fin de ofrecer un breve resumen del redesarrollo e incremento de impuestos, y ayudar a los miembros de la comunidad y el ayuntamiento a comprender mejor esta poderosa herramienta económica dirigida localmente.

¿Qué es el incremento de impuestos?

El incremento de impuestos es la cantidad de ingresos por impuestos a la propiedad que se atribuyen a los incrementos del valor de los impuestos generados por la actividad de desarrollo o por transferencias de propiedad por encima de un monto base dentro de una area de redesarrollo designada, llamada area del proyecto'. El incremento de impuestos no modifica el monto de impuestos que un propietario debe pagar por su propiedad. Sí modifica la forma en que se distribuyen los impuestos a la propiedad adicionales que se generan, es decir, "el incremento". En general, Lodi recibe aproximadamente entre 16 y 17 centavos por cada dolar de impuestos a la propiedad. Con el incremento de impuestos, Lodi podría recibir hasta 80 centavos por cada dolar de nuevos impuestos a la propiedad generado por encima de la valuación base; dinero que, de otra forma, se destinaría al Estado de California o a organizaciones que son responsabilidad del Estado de California.

Según las normas de incremento de impuestos del estado, Lodi retiene fondos provenientes del incremento de impuestos que debe gastar de acuerdo con un plan, llamado plan de redesarrollo. El plan de redesarrollo puede permitir gastos en programas que van desde la rehabilitación fundamental de la estructura del agua, los residuos hidricos y los desagües hasta la construcción de una nueva biblioteca. Sólo existe un requisito absoluto con respecto al gasto de los fondos del incremento de impuestos: 20% de los ingresos del incremento de impuestos deben gastarse en viviendas costeables.

Otras entidades que son responsabilidad financiera del Estado de California — como los distritos de escuelas y condados, y otros distritos locales especiales—

¹Por ejemplo, los impuestos sobre una propiedad valuada en \$500,000 son de \$5,000, y el porcentaje de la ciudad (17%) equivale a \$850. Dentro de un área de proyecto de redesarrollo, si la propiedad asciende de categoria y se vende a \$750,000, el nuevo impuesto anual sería de \$7,500. La ciudad recibiría 80% del aumento de \$2,500 (\$2,000), además de los \$850 originales, lo que equivaldría a \$2,850. Fuera de un proyecto de redesarrollo, el porcentaje de la ciudad sería de \$1,275.

continúan recibiendo todos los ingresos de impuestos que recibían antes de que se generara el incremento de impuestos. La financiación del incremento de impuestos no reduce los ingresos asignados a los distritos escolares. De hecho, los distritos de las escuelas y universidades comunitarias reciben una parte del incremento de impuestos para el redesarrollo². Las fórmulas de financiación de las escuelas estatales existentes anulan cualquier pérdida o ganancia en los ingresos de los impuestos a la propiedad, lo que garantiza que el estado mantiene el nivel de financiación de la escuela, sin importar lo que suceda con los impuestos de propiedad del Área.

En resumen, el incremento de impuestos, a través de la adopción de un área de redesarrollo, es una herramienta económica que podría ayudar a Lodi a resolver las necesidades financieras que actualmente se encuentran más allá de la capacidad de la ciudad. Se trata de una asociación única que estimula el desarrollo económico, de modo que el crecimiento de la base impositiva pueda generar fondos para mejoras locales, crear empleos y mejorar la salud, seguridad y calidad de vida en Lodi.

La historia del redesarrollo y el incremento de impuestos en Lodi

Para crear un proyecto de redesarrollo y recaudar el incremento de impuestos, debe formarse un organismo de redesarrollo.

Según los Códigos de Salud y Seguridad de California³, existe un organismo de redesarrollo en todos los condados y ciudades del estado, pero permanece inactivo hasta que se lo activa con una ordenanza.

En la primera parte del año 2000, el ayuntamiento de la ciudad autorizó la formación de la agencia de redesarrollo y tomó los primeros pasos de formar una área de proyecto.

En aquel entonces, el ayuntamiento de la ciudad recomendó establecer un área de proyecto en las áreas industriales y comerciales más antiguas de Lodi. Se identificó que aproximadamente 479 hectáreas cumplían con los requisitos que permitirían que la ciudad recaudara impuestos incrementales a cambio de estimular el

² Para los proyectos de redesarrollo que se adoptaron antes de AB 1290, o el 1 de enero de 1994, el organismo negoció acuerdos por separado con cada entidad impositiva. Para los proyectos adoptados en o a partir del 1 de enero de 1994, el monto total distribuido a cada entidad es el mismo.

³ Sección 33100 del Código de Salud y Seguridad.

crecimiento y desarrollo en el área. A mediados de 2002, el ayuntamiento de la ciudad abandonó sus planes para formar un Área de proyecto en respuesta a las preocupaciones de los ciudadanos respecto del dominio eminente y a una iniciativa para someter a votación el futuro del proyecto.

Es interesante señalar que, según los cálculos preparados para la formación del área de proyecto en aquel entonces, si el proyecto se hubiera formado y si el desarrollo hubiera sucedido de la manera prevista, ahora la ciudad tendría cerca de \$400,000 de nuevos ingresos para el año fiscal actual de 2006-07. En términos comparativos, esto sería como el porcentaje que recibiría la ciudad de **\$40 millones** de nuevas ventas gravables.

Una de las preocupaciones expresadas respecto del incremento de impuestos y redesarrollo en 2002 fue el temor del dominio eminente, la capacidad de obligar a alguien a vender su propiedad contra su voluntad. A fin de resolver esta preocupación de parte de los miembros del público y el ayuntamiento de la ciudad, en 2006 el ayuntamiento de la ciudad adoptó las Ordenanzas 1775 y 1776 que eliminan la capacidad del organismo de redesarrollo de Lodi de participar del uso del dominio eminente para uso privado. Se espera que, si se adopta un proyecto, el ayuntamiento de la ciudad promulgue más restricciones y elimine el dominio eminente de la agencia de redesarrollo.

La Agencia de redesarrollo de Lodi aún está activado, pero no existe un Área de proyecto ni se modificó la forma en que se distribuyen los impuestos a la propiedad. El ayuntamiento de la ciudad pronto volverá a considerar la exploración de un área para el proyecto de redesarrollo.

¿Cuándo y cómo sucederá esto?

Se anticipa que si el ayuntamiento desea explorar un área de proyecto de redesarrollo, el público tendrá amplias oportunidades de expresar su opinión sobre los proyectos y actividades que deberían financiarse con el incremento de impuestos, la forma en que esto mejoraría la comunidad y los límites del área de proyecto. La ley estatal requiere que se presente un informe del impacto ambiental sobre el área de proyecto y que el comité de planificación y el ayuntamiento de la ciudad celebren varias audiencias antes de la adopción del área.

Se anticipa que todo el proceso, si recibe la aprobación del organismo, llevará entre 12 y 24 meses.

¿Cuáles son las garantías?

Dado que el incremento de impuestos es una herramienta poderosa, se han desarrollado garantías para asegurar que las actividades sean apropiadas antes de que se reciban los fondos del incremento de impuestos. Todos los años debe presentarse un informe al cuerpo legislativo y debe realizarse una auditoria anual. Debe presentarse un informe anual al Departamento de Desarrollo Comunitario y Viviendas de California y a otros organismos estatales.

La Agencia de redesarrollo deben demostrar que tienen una obligación financiera (deuda) antes de la recepción del incremento de impuestos. Esta información es recopilada y transmitida a los condados en un documento, y se la conoce como “Declaración de adeudamiento” de la Agencia de redesarrollo o SOI (por su sigla en inglés). Sin las SOI, el estado no tendría forma de impedir que las Agencias locales recaudaran el incremento de impuestos y se queden con el dinero.

Preguntas y Respuestas

Pregunta: *¿Quién supervisa los gastos del incremento de irnpuestos y el redesarrollo?*

Respuesta: Los miembros electos del ayuntamiento de la ciudad que se desempeñan como directorio la Agencia de redesarrollo. La comunidad tiene absoluto control local de los ingresos adicionales que se recaudan localmente.

Pregunta: *¿Mi propiedad perderá parte de su valor por encontrarse en un área de redesarrollo?*

Respuesta: No existen pruebas de que se reduzcan los valores de las propiedades. De hecho, cabria esperar lo contrario. Con la posibilidad de mayores ingresos disponibles para el Area en ciertas circunstancias, cabria esperar que aumentase el valor de reventa de la propiedad. Considere lo siguiente: si el incremento de impuestos se usa para mejorar el agua, las cloacas o los drenajes, ¿le parece probable que eso reduzca o aumente el valor de la propiedad? Una nueva biblioteca, ¿ayudaría o perjudicaría al valor de la propiedad? El Informe Dardia de 1998 asegura que la valuación de un area de proyecto aumenta alrededor de dos veces más que otros usos similares fuera del área de proyecto.

Pregunta: *¿El cambio de los impuestos a la propiedad que conlleva el incremento de impuestos perjudica a las escuelas?*

Respuesta: No. Si bien las finanzas de las escuelas son complicadas y pueden ser confusas, lo fundamental es que el estado provee la financiación según la asistencia diaria promedio.

Pregunta: *¿Cómo puedo estar seguro de que la ciudad no quiere mi propiedad?*

Respuesta: El ayuntamiento de la ciudad adoptó las ordenanzas 1775 y 1776 basándose en las preocupaciones locales para limitar el dominio eminente. Además, una nueva ley estatal que entró en vigencia el 1 de enero de 2007 requiere que las Agencias de redesarrollo declaren sus intenciones respecto del uso del dominio eminente. El organismo de redesarrollo no utilizará el dominio eminente para adquirir propiedades.

Pregunta: *¿Qué hay de las pequeñas empresas?*

Respuesta: Una pequeña empresa puede beneficiarse de la mejora de infraestructura. La Agencia de redesarrollo puede absorber los costos de construir nuevos estacionamientos, aceras y señales. La Agencia puede adoptar programas específicamente destinados a ayudar a pequeñas empresas. La Agencia de redesarrollo tiene la obligación específica de otorgar preferencia a los residentes y empresas existentes en las oportunidades de desarrollo.

Pregunta: *¿Tendré que asumir obligaciones adicionales de mantenimiento de propiedad?*

Respuesta: No. La mayoría de los planes de redesarrollo no agregan requisitos de mantenimiento de propiedad.

Pregunta: *¿Esto implica una mayor regulación de gobierno?*

Respuesta: No. El plan de redesarrollo no cambiará la división en zonas ni las pautas de desarrollo: estos se encontrarán, al igual que ahora, a cargo de las ordenanzas de la ciudad. El redesarrollo brindaría financiación y herramientas para contribuir con la financiación de las mejoras

públicas, herramientas para trabajar voluntariamente con los dueños de las propiedades.

Pregunta: *¿La Agencia de redesarrollo no se limita a sacar dinero de la ciudad que podría haberse destinado a los departamentos de bomberos y policía?*

Respuesta: No. La comunidad recibirá una mayor cantidad de ingresos con el redesarrollo que sin él. Si un Agencia se hace cargo del costo de las mejoras publicas, la policía, los bomberos y otros servicios pueden disponer de una mayor parte del fondo general de la ciudad.

Pregunta: *¿El fondo general de la ciudad respaldará al la Agencia de desarrollo si éste se declara en quiebra?*

Respuesta: No. Las obligaciones de la Agencia no son las obligaciones de la ciudad. La deuda emitida por la Agencia de redesarrollo se evalúa según sus méritos de crédito. La Agencia debe ser capaz de demostrar que puede pagar sus propias deudas.

Pregunta: *¿Cómo puede el redesarrollo ayudar a ofrecer viviendas costeables o viviendas para los ancianos?*

Respuesta: La ley federal requiere que las agencias de redesarrollo gasten al menos 20% del incremento de impuestos en viviendas costeables para los ancianos, los minusválidos y las familias de ingresos bajos o moderados. Una agencia de redesarrollo en Lodi podría utilizar ese dinero para ofrecer viviendas, subsidiar alquileres, financiar reparaciones y ayudar a los residentes que reúnan los requisitos a convertirse en propietarios.

Pregunta: *¿La Agencia de redesarrollo no se lleva todos los incrementos de impuestos a la propiedad del condado?*

Respuesta: No. La ley federal, (Código de Salud y Seguridad, Sección 33607.6) requiere que un porcentaje del crecimiento de los impuestos a la propiedad dentro del área de redesarrollo se traslade a otras entidades tributarias.

Es interesante señalar que el 17 de abril de 2007, durante una discusión del Grape Bowl, el presidente del directorio de supervisores, Victor Mow, dijo: “[Lodi] tiene la oportunidad de [establecer] un proyecto de redesarrollo. No lo ha hecho. Este es un caso típico en que el dinero de redesarrollo podría ser la respuesta a estas cosas”.

Pregunta: ¿El proyecto de redesarrollo finaliza o concluye?

Respuesta: Si. El organismo no puede recaudar incrementos de impuestos del proyecto durante más de 45 años. Pierde el poder para actuar luego de 30 años. Entre los 30 y 45 años, La Agencia puede recaudar deudas solo para financiar programas de viviendas y realizar pagos según sus obligaciones.

جواب : نہیں - ریاستی قانون (صحت و سلا متی کا قانون مادہ 33607.6) کے بموجب ری ڈیولپمنٹ علاقوں کی جائداد ٹیکس میں نمو کا کچھ فیصدی کچھ دیگر ٹیکس اداروں کو بھی منتقل کیا جائے گا -

یہ بات قابل ملا حظہ ہے کہ 17 اپریل 2007 میں انگور کی کاشت پر بحث کے دوران سپروائزر بورڈ کے چیرمین وکٹر مو نے کہا تھا کہ ان کو (لوڈئ کو) از سر نو تعمیر و ترقی کا ایک بہترین موقع میسر ہے جسے انہوں نے ابھی تک انجام نہیں دیا ہے - یہ از سر نو تعمیر و ترقی کے لئے مخصوص رقم کو خرچ کرنے کی ایک مثالی جگہ ہے -



July 9, 2007

Bob Johnson
Honorable Mayor of Lodi
& Lodi City Council Members

Dear Community Leaders:

The Chamber's Board of Director's have heard an overview of the City Manager's ideas and preliminary plan for the activation of Lodi's Redevelopment Agency.

The Chamber Board urges your support to proceed with direction to determine how activation of this plan can best benefit our community.

We feel the economic impacts, revitalization of the eastside and so many other currently "unaffordable projects" make this a very attractive prospect for community development. With the elimination of the "eminent domain" provision this seems to be more readily accepted by a vast majority of Lodi's citizenry. It is time Lodi be returned the incremental tax gain on our own property.

Please vote to support Mr. King and to move forward with redevelopment.

Cordially,

A handwritten signature in black ink, appearing to read "Pat Patrick". The signature is stylized with a large, sweeping "P" and a long horizontal line extending to the right.

Pat Patrick
President & CEO
Lodi Chamber of Commerce

Cc: Mr. Blair King, Lodi City Manager



July 9, 2007

Bob Johnson
Honorable Mayor of Lodi
& Lodi City Council Members

Dear Community Leaders:

On June 18th Mr. Blair King, Lodi City Manager, made a presentation about his plans and ideas concerning Redevelopment. His presentation was to the leadership of the Hispanic Business Committee (HBC), a committee within the Lodi Chamber of Commerce.

The HBC believes the economic well-being that will accrue to Lodi's eastside, the businesses there, and its residents will create tremendous goodwill and will be greatly appreciated. We would anticipate many improvements as a result of this program. We see this as an improvement from what we see today. We want to see the eastside improve as a place for investment, greater safety and general well-being.

We applaud the removal of the "eminent domain" language as property rights are important to all Lodi residents.

We urge your support of Mr. King's proposal to develop a workable design for redevelopment in Lodi. Thank you for your consideration.

Cordially,

Mirna Ruiz
Committee Chair
Hispanic Business Committee

Cc: Mr. Blair King, Lodi City Manager